



Statement on Brexit AUG19

As it stands, and consistent with the clear views expressed currently by the majority of business leaders representing national and international enterprises based here in the UK, neither we, nor anyone else in the fresh food supply chain involving the supply of daily imported goods can speak with any cast-iron certainty as to how the physical movement and flow of goods (cross-border) might change in the future as a direct consequence of Brexit.

This is because we do not know what Brexit we are going to have and therefore nobody can say for certain what the cross-border controls and physical impediments will be to the free and fluid movement of goods post Brexit. We do not know whether tariffs will or will not be necessary... and if so, what the level of tariffs will be for the thousands of products that we trade in.

Until we know what the Brexit deal will be and therefore what Border controls will be implemented, if any, both we and our suppliers across the channel are continuing to operate on the basis that common-sense and logic will prevail and a soft-Brexit deal will ensure that there is no significantly detrimental change to the existing 'free' and continuous/fluid movement of goods across the UK's borders.

That said, our key continental supply partners have informed us that the worst that they can anticipate happening by way of a physical impact on the movement of goods (in the event of a no-deal / hard Brexit) is that there will be delays at the border (whichever border, sea or air) while every consignment of goods (or at least the paperwork) is inspected and approved by UK Customs and Excise. As long as the border-crossing freight controls don't take 'days' to clear/pass through, the stock being transported in temperature-controlled containers shouldn't suffer any discernible negative impact to quality. And, because we (WCFS) are responsible for the management of our stock-buying/ordering lead-times for all products that we trade in, it will simply be a case of our Buying Teams adding an additional 24 hours to our supplier lead-times, i.e. pulling forward our order-placement cut-offs with our Continental suppliers.

This should not affect our customers. This would just be an operational, supply-chain adjustment for us as specialist importers and wholesalers.

For these logical and considered reasons, we are not anticipating that 'Brexit' will have any immediate or significantly negative impact on our capability to continue to support businesses in any way other than the way that we currently do. And so, without being able to offer any warranties to this (for the obvious reasons), after consulting with our trade supply partners we do not anticipate any particularly material change to our ability to maintain our existing, very high levels of product availability and delivery to our customers in Cornwall and Devon.

We and our key supply chain partners, have completed all the necessary accreditation and documentation in order to ensure the smooth transition of goods including having all the customs clearance certifications, Government Gateway, PEACH and EORI registration docs and numbers.

Potential Impacts on Pricing

The impact of Brexit on product pricing will also be determined by the deal that is finally thrashed out between the EU and the UK Government. A soft Brexit may have very little impact on pricing.

A harder Brexit, or no deal, may result in tariffs and barriers that will add cost to the price of imported goods, including fresh produce. It is impossible to predict where prices will be after Brexit. It is simply something that we will all need to adjust to and compensate for, as and when it becomes apparent that prices are being impacted. We will continue to deliver our market leading delivery service and seasonal pricing whatever the political and economic outcome of this Brexit process.

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