



# Environment, Food and Rural Affairs Committee

## Oral evidence: Seafood and Meat Exports to the EU, HC 1189

Tuesday 2 March 2021

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Members present: Neil Parish (Chair); Ian Byrne; Geraint Davies; Dave Doogan; Rosie Duffield; Barry Gardiner; Dr Neil Hudson; Mrs Sheryll Murray; Derek Thomas.

Scottish Affairs Committee Members present: Douglas Ross; Pete Wishart.

Questions 1 - 84

### Witnesses

**I:** Donna Fordyce, Chief Executive, Seafood Scotland; Sarah Horsfall, Co-Chief Executive, Shellfish Association of Great Britain; Martyn Youell, Senior Manager of Fisheries and Quota, Waterdance.

**II:** Nick Allen, Chief Executive Officer, British Meat Processors Association; Charlie Dewhurst, Senior Policy Adviser, National Pig Association; Dan Phipps, Chairman, National Sheep Association.

Written evidence from witnesses:

– [Seafood Scotland](#)

– [Waterdance](#)

[British Meat Processors Association](#)

[National Sheep Association](#)



## Examination of witnesses

Witnesses: Donna Fordyce, Sarah Horsfall and Martyn Youell.

- Q1 **Chair:** Welcome to the EFRA Select Committee this afternoon. We are delighted to welcome Pete Wishart, the Chair of the Scottish Affairs Committee, and Douglas Ross, who are both guesting because previously both I and Dave Doogan did the same on the Scottish Affairs Committee over fish exports. We were delighted to attend, and we are delighted to offer them a place back today.

This afternoon we have our first panel of three witnesses on seafood and meat exports to the EU. Starting with you, Donna, would you like to introduce yourselves, please?

**Donna Fordyce:** Good afternoon. I am Donna Fordyce, and I am the chief executive of Seafood Scotland.

**Sarah Horsfall:** Good afternoon, everyone. My name is Sarah Horsfall, and I am the current co-chief executive of the Shellfish Association of Great Britain.

**Martyn Youell:** Good afternoon, everyone. I am Martyn Youell, senior manager of fisheries at Waterdance Fishing, a fishing company based in south-west England.

- Q2 **Chair:** Thank you very much to all three of you. I am going to start with the first question, which is about the impact of the post-transitional period arrangements. Are the problems being experienced by seafood exporters mainly teething issues or longer-term structural issues?

**Martyn Youell:** Thank you very much for the opportunity to speak. We thought that “teething problems” was a particularly poor choice of words, given that what we have found is that the difficulties in exporting product and indeed in producing product by fishing companies appear to be, in the large majority, systemic issues of trade under the agreement that has been reached to date. While some things have settled down—some obvious issues—we feel that at least 80% of the trading difficulties that have been encountered are still in existence today.

We need some real political action to change the terms of trade. This is all with the best will of the civil servants, who are working very diligently, but they work within a restriction in terms of what the politicians can set for them to deliver. At the moment, we should be aspiring to have the closest trading relationship with the EU of any nation, given our shared history, yet we are miles behind a lot of other nations in terms of the way we can trade in terms of some of the details. For us, they are not teething problems. If the Committee permits, I can go into more detail about impacts and ways we think it could be improved, because we want to focus on the future.

- Q3 **Chair:** Without straying too much into the second question, with so



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many paper forms, is there a way that this could be done electronically? Even under the agreement we have with the EU and how we are now trading, is there any way it could be made a lot better from our end and not only the EU end?

**Martyn Youell:** That has to be the aspiration, in my view. We are used to doing all sorts of things online. It has made our lives so much easier as citizens and businesses to be able to do that. Unfortunately, we have inherited a system that, at least for now, is largely paper-based. It is a massive, massive problem. You have probably seen BBC reports from Samways Fish Merchants—the leading exporters of fish bought by EU companies on the Brixham market—about there being 71 pieces of paper for one lorry of fish.

Yes, simple things like electronic signatures on documents would move us forward. We can come on to some more detailed ways where my colleagues and I think there could be improvement. Yes, digitisation is massive. It has to be a priority, and it has to be good for those importing to the UK from the EU as well as us exporting. Some kind of shared system that we can all have confidence in should be a key aspiration for the Government.

Q4 **Chair:** In a little while, we will be putting our rules in place for the EU exporting to us. That is going to be another interesting time. I will bring Donna in for the Scottish perspective.

**Donna Fordyce:** I would echo everything Martyn has said there. It has been a mixture of teething troubles and systemic troubles as well. We are getting to the end of the teething issues, but we are still left with a lot of issues that need to be resolved.

As you know, the UK Government have set up a taskforce to look at these major issues. We know the civil servants have worked really hard to try to resolve these teething issues, but there has still been a major impact on the industry. We were so integrated within the supply chains within Europe. We have had to try to unpick that. We went from the position of not needing anything on 31 December, and on 1 January needing everything. Even though companies were prepared as well as they could be, there were just too many systems and too many things. You are up against time. The way the companies do business is you buy fish on the market that morning, you process it, you collect it at lunchtime, and you get it away down to the hubs or direct to the marketplace for the next morning. The new system just does not allow that. We cannot guarantee day one for day two, which we did before. The reputation of the UK is being lost day by day. We need to rebuild that.

Q5 **Chair:** Have you seen any improvements in recent weeks? What have you seen?

**Donna Fordyce:** Groupage is a big part, especially for Scotland, of how we operate into Europe. A lot of small to medium-sized businesses do not have a lorryload that they are sending. They are maybe sending five or



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10 consignments out to customers on a daily basis. Before, dealing with Glasgow or dealing with London was just like dealing with France. If you look at how the groupage works, it came to a halt. After the first two or three days, you realised that you could not get groupage done. For 10 days, we had no groupage. Basically, there was very little going out.

It is the groupage that has caused the biggest issue. The ones who had the volume and could get the road transport were able to get things over. We all operate using this model, and we have to. Without that model, we cannot operate in Europe because it is just not cost-effective. We are seeing increases now. Groupage is trying to rebuild. It is getting there, but it is still not getting day one for day two at the right time on day two, which we need to be able to effectively service the customers there.

**Sarah Horsfall:** You will all realise that I am from the Shellfish Association of Great Britain, so obviously we deal exclusively with shellfish. While I agree with the comments that my two colleagues have made, it is slightly different for shellfish. We deal largely with live product, essentially. We may be exporting crabs or lobsters on vivier trucks, but they are live product. My colleagues have described the delays in getting from the marketplace in the UK to the markets abroad. For us, if we are delayed for four hours, for example, it can mean that the product misses the market that day in France or Spain and has to wait until the next day. That can have very considerable impacts on the mortality rate of the product. It makes for a much different product getting to the marketplace. More product is dead and more product is in less good condition.

With regard to the paperwork, it absolutely seems to be extremely excessive. There were very difficult teething troubles to begin with, but, even so, as the others have said, we are left with a system that is unwieldy and very difficult, particularly in terms of getting the EHCs signed off. This means that we have very increased costs as well. Exporters are telling me that this is between £400 and £600 per consignment. If you have a small consignment, that is going to be very much more per kilogram of product than it is for an entire lorryload, so this is going to impact on the smaller producers much more than on the bigger ones. Even so, some of the bigger ones are now saying to us, "Somewhere down the line, we will have to assess whether it is cost-effective to use this business model anymore." That £400 to £600 is just the cost of the paperwork; then, of course, you have the cost in the business itself for the staff to fill in this paperwork, et cetera, so you might need another two or three staff. That adds up to a considerable cost.

Aside from that, of course, on the shellfish side we have the total prohibition of live bivalve molluscs from class B waters, which is an absolute stop—

**Chair:** We are probably going to deal with that in a minute. We will make



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sure we deal with it before we finish, but you are right. A lot of this is economic, is it not? If you make it so complicated and so difficult to do, in the end, if you are a smaller producer you will give up on it. We are aware of that.

- Q6 **Mrs Murray:** This is really aimed at Martyn, but the other people might have a view on it as well. Martyn, you focused on digitisation. Have you had any discussions with your counterparts on the other side of the channel? Do they want that as well? As far as I understand it, the system in place has been agreed between the EU and the UK. It is not just down to the UK Government as to which system we use. Anything has to be agreed by the EU as well. I understand that this system was what the EU would accept. If we are to move to digitisation, I am sure you will appreciate that it is not within the UK Government's gift to say, "We will do this". Are your counterparts on the other side of the channel, from the European Union and the European Commission, happy to go along with that system as well?

**Martyn Youell:** We have not spoken directly with the European Commission. We would see that as a role for the UK Government. What we do is we speak to other fishing companies, and we are certainly aware that customs agents that operate internationally would welcome an IT system. On the more commercial side of the fishing sector, there is a great hunger for it.

I agree with what you say: anything that is implemented would have to be negotiated and agreed with the EU. That is really what lies behind one of the themes I want to raise today. We need to be dealing with the small and very technical issues that are emerging, and escalating right up to the highest political level to get that kind of dialogue. It must be in the UK Government's interests and it must be in the European Commission's interest and its member states' interests to have an efficient system. That is really what I am calling for. I would like to think that there should be an open door to modernising and making that system more efficient.

We know, for example, that Iceland exports fish products to the EU without as detailed a multi-vessel schedule on the export certificate as the UK has. Why should we not aspire to be at least on the same level of trade as Iceland? I would hope we could go way beyond that in terms of our integration of systems, given our common regulatory background and our mutual confidence in the strength of our fisheries enforcement and regulation. We have very high confidence that fish is caught legally within the UK. We need to benefit from the high confidence on both sides to look for those wins.

It should really be quite easy to negotiate. Maybe that is the wrong thing to say at this point in time, but we are getting away from big politics and going more into just wanting to work together under the agreement we have. That must be achievable.

- Q7 **Mrs Murray:** If I could just come back to you, clearly there is a lot of



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influence that your counterparts could have in influencing the European Commission. That could perhaps be a way forward. You could say to them that they need to start lobbying their Governments and the European Commission as well. It takes two to tango. As the UK Government, we may say, "Yes, we want this," but, if the other party is refusing to go along with that, very clearly it is difficult.

**Chair:** Can I add to that one, Sheryll, before Martyn comes in? What we could do is say to the European Commission, "We will bring in extra rules for exports in April." If we can offer them a digitised service, it may be that it can offer us one reciprocally. I do not know whether that would work, Martyn. What do you think?

**Martyn Youell:** Yes, there is nothing wrong with taking the first step. We have some very good professionals within the UK Government who have developed digitised systems like the catch certificate system at the MMO. Why not be the ones to really give it a go and try to put something in place that will work? It would be quite a large undertaking but we should be aspirational, because the amount of time and money it would save on individual transactions would mean that it would pay for itself very quickly and over the long term.

One thing I should say is that the exporters we deal with are seriously considering relocating parts of their processing businesses to the EU because of the difficulties we face at the moment. That is really behind a lot of my urgency around wanting to move forward with these things. It cannot have been the aspiration of Brexit, with fishing as the totemic issue that a lot of people voted on, to lose jobs within fishing and the supply chain, including boats landing overseas because the paperwork is easier.

We really must address this with urgency if we want to expand and grow our seafood sector, as was the aspiration. We are at serious risk of doing the very opposite, which is definitely something we do not want to see. We want to work with you to avoid that.

**Donna Fordyce:** I just have a couple of points on Sheryll's question. We are continually in talks with the French. We have very good relationships with Boulogne-sur-Mer, which is the main port. They have 5,000 processing jobs reliant on our product coming in just in that port alone. They are very prominent, and they are prominent in the French media as well in terms of how important it is to ensure we get our product there. We have boots on the ground there as well. We have employed a specialist who is going to be there working on the border control points to make sure that, if there are any issues, any language barriers or any issues with paperwork, they are able to try to smooth that over as well.

We have that, but Martyn is right: there is a need for a system as well. We talk about a system, but it is actually up to 12 systems that need to be worked through. There is the main UK-EU one. We certainly want to have derogations around multi-vessel schedules, et cetera, but there are



up to 12 systems and none of them talk to each other. There is a lot of work that needs to be done. There is a lot of duplication of entries and all of that. Time could be saved and errors could be reduced if we just had systems that talked to each other as well.

**Chair:** Thank you, Donna. You make a really good point. By its very nature, trade is a two-way street. Therefore, if they need our fish for processing, it is a good idea for them to be able to get it into their market as well as for us to get it in ourselves. We need to work on these things very strongly. I appreciate the evidence coming from you all.

Q8 **Pete Wishart:** Thank you ever so much, Chair, for the very kind invitation to me and my colleague, Douglas Ross, to join you in your session today. We were very grateful for your and Dave Doogan's input from the EFRA Committee on the Scottish Affairs Committee. As you will understand, the Scottish Affairs Committee has a long-term interest in the fishing sector, along with the Scottish food and drink and food export sector. We have taken a number of pieces of evidence from various representatives through the course of the past few years.

I will start with a general point and question. In the past few years, when representatives of the Scottish food and drink sector have come to our Committee, there has always been a view from the fishing sector that leaving the European Union was nothing other than a positive. It was a sea of opportunities: the UK would become an independent coastal state and everything would be good and positive. That is not the impression that is now promoted by the fishing sector.

The food processors and exporters were always just that little bit more circumspect about our prospects when we left the EU. Can you tell me whether you feel that your views were properly listened to in advance of us leaving the European Union? Could you tell us whether you think that they are now being properly listened to by the UK Government?

**Martyn Youell:** Thank you for the question. There is a lot of ill-feeling, to put it frankly, about the deal that was reached. Yes, the highly aspirational position of the UK fishing sector, particularly those going out and catching, was that there would be more to catch principally and that there would be greater protection of inshore waters from visiting vessels. Much of that did not materialise. We renew our efforts through the national federations to work hard to ensure that some of that does materialise in five and a bit years' time, when it is all up for renegotiation again.

In summary, it was right that the UK fishing sector was aspirational, because there was much to be gained. We have made some gains in terms of the amounts of quota and in terms of the ability to regulate the UK's waters more autonomously, but those, I am afraid, are a very minor part of the agreement. The major part of the agreement feels like it has underdelivered greatly for the UK fishing sector.

Q9 **Pete Wishart:** Seafood Scotland, Donna, has come to my Committee



on several occasions. Your good self has given evidence before. Seafood Scotland was always a little more cautious about what was at stake here and what to expect. Do you feel like you were properly listened to when you were raising some of these issues and concerns? Tell me a little bit more about what you are seeing now. We understand that there is a whole complex paperwork chain for seafood exports to the EU. What are the ones that are causing the most concern? What can the UK Government do to find a reasonably quick fix for this?

**Donna Fordyce:** Pete, going to your first question about whether our concern was heard enough, I do not think it was. We have an integrated supply chain into Europe. It is our biggest export market. Seafood is the most exported product in Scotland; in the UK, it is salmon. It goes into Europe. That is our main market; that is our main customer. That is who we rely on to do business with. We export most of the catch and we import most of what we eat, unfortunately, in that case.

There are real issues. The biggest thing that we need to get sorted is the system and the efficiency. We need to get the efficiency. We need to get to day two, and to get that we need to cut down the amount of administration that it is taking to be able to process everything. In terms of the administration and the paperwork, on a good day before, we had a two-hour time to dispatch. Now, the worst-case scenario is six and the best is four. The total time we had before was 22 hours to get to market; at the moment, the best case is 28 and the worst case is 39 hours. You are missing day two and maybe even going into day three.

There is a reputational risk with the customers. They are finding other supply chains. There are other countries waiting to take up these contracts. The Norwegians are all over the salmon. There are losses here, and these will be long-term losses. How do we regain these markets? How do we regain the trust? How do we regain that consistency? How do we regain the price we were receiving for the product as well? The quality and freshness are not necessarily perceived to be there, because it is day three. How do we regain that pricing as well? As Sarah has talked about, it is the whole cost structure. A lot of the smaller companies are seeing at least £200 per consignment going. With five to 10 consignments a day, that is between £250,000 and £500,000 extra a year just to deal with paperwork alone. That is not administration; that is the paperwork alone to trade in Europe, to stand still.

Q10 **Pete Wishart:** I know the shellfish sector has its own specific issues, and I know colleagues will be raising the difficulty with the bivalve molluscs, but I am just wondering about something else. One of the things that came up in the session we held in the Scottish Affairs Committee was that one way to sort this would be to have a grace period of a few years. Even if that meant being subject to EU regulations, it would give an opportunity for a proper readjustment to come to terms with the new range of issues and to have the arrangements in place. Is that something you feel could be a quick fix



that could ensure we get to a situation that would help your sector with the problems it has now?

**Sarah Horsfall:** That is a really interesting point. Of course, it depends on what the detail would be. If we were able to go back to where we were prior to 31 December 2020, exactly the same position with regard to seafood export, clearly it would make things an awful lot easier for companies at the moment. Then we would know what challenges faced us and we would be able to work towards sorting out these streamlined systems that the others have mentioned and get it all computerised. There is no doubt that would absolutely help, if we could get back to that situation exactly. I do not really have any clue whether that is feasible or possible at this point in time.

For the shellfish industry in particular, we had little to gain from Brexit, because we are largely not selling quota species. We were not defined by quota anyway. The bulk of the shellfish market is exported. In the shellfish sector, we had very little to gain from Brexit and an awful lot to lose, and unfortunately that is the way it has turned out. If we could turn back the clock and get this grace period, it would be really wonderful.

Q11 **Pete Wishart:** I would like to ask Martyn the same question to get his views on all of this. We are desperately looking for some sort of solution to get us beyond this hump period. There have been a number of difficulties presented, which I know everybody is making a great effort to resolve. Would a grace period just fix all of this now? With that grace period, we could then look at trying to resolve all the rest of the issues and put in place a much better transitional regime for all the businesses that you represent. Would a grace period work?

**Martyn Youell:** I have to admit that it does sound quite attractive, but at some point you have to bite the bullet and deal with the terms. Yes, at the moment, as a fishing business, we have had export issues and dramatically increased costs. We have had £400,000 in increased costs to try to avoid EU buyers shouldering all of the extra costs and being completely put off south-west fish. We have had that on top of Covid disruption and a very difficult and uncertain operating environment, because of the trade and co-operation agreement, where we do not have quotas defined for 2021 and we are not able to trade quotas internationally, at least not to date.

It has been painful, and a grace period may ease some of that pain, but I would perhaps caution against completely booting down the road some of the issues. Maybe there is a middle way. For example, one of the things the Government could possibly do reasonably quickly would be to encourage greater investment from private sector customs agents. We have found them working extremely hard and doing their absolute best, but they are massively under-resourced to deal with the volume of trade. Indeed, in some locations, environmental health officers are under-resourced. The Government could invest more in local government and in environmental health officer capacity so that perhaps they are a



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bit more mobile to move to sites, and we could encourage customs agents to invest in greater capacity in whatever way is possible, given they are private sector entities.

**Q12 Pete Wishart:** I am very grateful for that. That is a very helpful answer, and I hope that our respective Committees will be able to pick up on some of that stuff that you said about a middle way with all of this.

Lastly from me, everybody will know that food and drink is Scotland's biggest export sector. It is worth more to us than oil and gas. It is critical for the wellbeing of the Scottish economy. I worry when we hear stories and issues about catches being landed in countries like Denmark, Norway, Ireland and France. Martyn, you first mentioned this, and I would like you to go into this a bit more, just to possibly allay my fears. Are processers and exporters now setting up in the EU and taking jobs away from Scotland and the rest of the United Kingdom?

This is a question to all of you in your various sectors. What evidence do you have that supports the view that what we are seeing is an export of jobs, activity and businesses to the EU? Is there anything that you could say or suggest to this Committee about how that could be reversed? We will start with you, Martyn, because it was you who brought that up first.

**Martyn Youell:** Let us look at some evidence. We sell the majority of our catch through Brixham Trawler Agents. We have a great relationship with them. At the start of January, we saw some quite dramatic impacts. EU-based businesses, and indeed businesses anywhere in the world, can buy fish through an online auction at Brixham Trawler Agents. It has been a great innovation; it was put in around 18 months ago. However, we saw a dramatic decrease in the number of EU buyers buying during January, and that inevitably fed through into the prices paid. We believe that was down to a loss of confidence in the product arriving promptly and reliably and in good condition.

For example, we saw a drop of 40% in the number of EU buyers who were present on the market. We do track prices on European markets, because, as fishing businesses, we are free to land our catches wherever we like. We tend to land 99% within the UK, because we believe that it helps the UK brand, it helps onshore jobs and it provides sustainability for our long-term operations. We want to provide employment in the UK. It is very difficult when you look across, as we did during January, and you see that a kilo of Dover sole, the most important commercial species in the channel for us as a business, was selling for £3 per kilogram higher on the Belgian markets than it was on Brixham. A big differential in price opened up, which we believe was linked to that loss of confidence. We still see that differential in place now.

**Q13 Pete Wishart:** I will just finish by asking the same question to Donna now she is here. Are you seeing among your colleagues more activity going to Europe and more catches being landed there? What impact is



this going to have on Scotland's world-class sector?

**Donna Fordyce:** We have not seen a huge increase in landings in Denmark. There was that week when the groupage all collapsed, and there were actually boats out at sea. If they had landed their fish, there would have been no market for it and the price would have just collapsed. Given how precious the quota is at the moment, at that point some of the boats landed in Denmark. That was for that week. Boats often land into Denmark at this time of year; that is not unusual. There is not anything really unusual in terms of the activity apart from that week.

What is worrying is that people are not processing. They are cutting that element out to try to get the product to market. They are supplying whole fish. That is a real concern for the processing sector. We are seeing that they have mothballed their processing at the moment, and they are laying off staff. Hopefully when things have picked back up again and the systems are working perfectly, they can pick up on the processing, but at the moment it is easier to truck out whole fish rather than process it, unfortunately.

**Pete Wishart:** Thank you ever so much for that. Thank you, once again, Chair, for the opportunity to participate in your proceedings this afternoon.

**Chair:** Pete, it is a delight to have you. Thank you very much for those questions.

Q14 **Geraint Davies:** Martyn, we are in the midst of a pandemic and there was a pandemic going on last year. Both the Welsh and Scottish Governments suggested that, therefore, in light of that, we should delay the transition period, perhaps just for fishing and other complicated areas. In hindsight, would that have been a good idea? Given that we are not in the digital mode that you have described and that we are probably about to hit a problem with imports as well, might there still be a case to say to the EU, "Let us go back to what we did before for a few months; let us get digitisation on both sides and move forward together without all of this traumatic collateral loss"?

**Martyn Youell:** I would probably refer back to my previous answer about not endlessly kicking the can down the road, because we want to move on and know the basis we are trading on. Given the seriousness of some of the evidence presented, which you have heard, there are businesses really struggling to stay afloat. I would prefer to see political action to improve the way exports are working now than an endless delay, but I can see that some businesses that are really suffering just need help. They need help to get through the next weeks and months, in whatever form that takes, be that a compensation scheme from the Government or something else.



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I am perhaps sitting on the fence a bit there, but certainly the way I would go is a concerted political effort to improve what we have with the EU; that should be possible, given that it would also benefit.

**Q15 Geraint Davies:** Basically, you think that we should have taken more time but, given we did not, it is too late now so we need to get on with it. Is that what you are saying?

**Martyn Youell:** It was a frustration that the trade and co-operation agreement was announced so late. Yes, we were being asked to prepare for Brexit in lots of Government campaigns, but we did not really know what we were preparing for in detail. There is frustration there. Having some time to resolve some of that would be good.

I would say that serious effort to improve the way we trade would be perhaps better than a moratorium on the new arrangements.

**Q16 Mrs Murray:** All three of you might like to answer this but, Martyn, my supplementary is to you, first of all. We have heard an awful lot of talk just now about grace periods. We allow the EU to export into this country at the moment, until 1 April, in a much easier way, with more relaxed rules, than it has allowed us to export into the remaining EU member states. What we are seeing is basically that the EU will not budge. It is no good talking about grace periods, because at the moment we are not operating on a level playing field. Do you think it would be a little better for your exporters if we started to say to the EU, "You are interpreting the rules in a different way from us. You have easy access to the British market because we have given you this three-month period so you can get everything in order. Now is the time for you to either step up to the mark and do exactly the same for us, or we will start to reinforce the strict rules that you have put in place the other way across the channel"?

**Martyn Youell:** By nature, I am a multilateralist so I would not be seeking to threaten the EU. You can imagine how it felt to a fishing business not to have what you described as a level playing field. The timing and the content of the Brexit agreement was fantastic news for a lot of EU fishing companies, who are our competitors, and hence it was very bad news for us.

Yes, there is frustration at the fact that we took the moral high ground and nobody joined us there. They left us stranded. I would probably seek not to escalate this and to threaten on imports, but at least in the first instance to have a concerted political campaign to seek ways that are better for both of us.

**Chair:** You should be in the Foreign Office, Martyn. Well done.

**Q17 Mrs Murray:** Martyn, you do acknowledge that trade coming the other way has been given a grace period whereas we have not. It is no good to call for a grace period now or to look back at the way the negotiations happened. It is no good going there, because the EU has shown that it is not prepared to have a grace period both ways.



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**Martyn Youell:** For example, the quota negotiations just to set the shared limits this year seem to have completely stalled, which tells us a sad story about where our political relationship is with the EU. I would like to see that improve rapidly through all the right channels. I will leave the others to have their views.

**Donna Fordyce:** We actually asked for a grace period. Once we realised what was hurtling towards us, companies were trying to get as prepared as they could be. We were dealing with Covid and a lot of issues. Come the start of November, we realised, in parts of Scottish food and drink, that there were going to be issues when we hit 1 January with all of this. We could see it coming. We wrote a letter to the Prime Minister and asked for that grace period, and we had subsequent calls with Victoria Prentis on that to see what the possibilities would be.

You are right: we had no hand to play, as such, because we had already given that grace period to them. That was to ensure that we had food supply; that was the rationale for doing it. You can understand why they did it, but it just gave away any hand that we had to play to be able to negotiate a grace period. A grace period hopefully would have solved all of these issues around getting the systems up and running, but unfortunately it just did not happen.

Q18 **Mrs Murray:** On Martyn's last comment about the quota negotiations, I understand that the UK quota negotiations are being held up because Norway and the EU are not able to come to an agreement. There is a bit of consistency there somewhere.

Moving to my next question, we have already heard groupage mentioned. From my own experience, in my constituency I have some small exporters who are finding it very difficult now to export to the EU because of the cost implications. Is exporting seafood to the EU going to be financially viable for small businesses in the medium term with the current arrangements? I emphasise the fact of the problems with the groupage and also the very high costs for the export health certificates for small merchants.

**Donna Fordyce:** If we get all of the systems sorted, if we get all of the timing issues ironed out, if we get day one for day two, and if we get back to where we were in terms of timelines and things, we will still have all of that cost implication. I cannot see that being passed on to the customer, being passed back to the fisherman or being passed on to everybody in the supply chain to take their share of between £250,000 and £500,000 a year. They do not have the profitability within the businesses to be able to do that. In the medium term, we will see a lot more of the smaller companies stopping trade to Europe. That may ultimately be their demise. They may have to just stop trading, because, like you say, we export so much of our product into Europe.

I do not know whether you are going to touch on other markets, but at the moment all other markets are basically closed because there is no air



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freight going anywhere, or very little. If it is, it has doubled in cost. Food service around the world is closed apart from the Asia markets. That is the case even here in the UK. It is a really difficult one. They cannot see where they can turn. We need that investment, but we need that continuity of supply of fish to enter into more longer-term retail contracts and things. We have not seen that coming through with the deal. That was our hope: that we would have more consistency. There is a real worry around companies not seeing a future. They are really struggling to see a future at all.

**Sarah Horsfall:** I do not want to repeat anything that Donna has said; she is absolutely right. We have already seen a couple of companies shut their doors and say, "It is not viable for us anymore in the shellfish sector". It is going to particularly affect the small companies. There is definitely going to be a rationalisation in the marketplace. In the long term, it is not a good thing.

Q19 **Mrs Murray:** Donna was talking from the Scottish seafood perspective, but you cover the shellfish industry on a UK-wide basis, do you not?

**Sarah Horsfall:** Yes, absolutely. We cover it UK-wide, including Northern Ireland. It has just been a perfect storm, has it not? We have had Covid, food service shut and Brexit. You could not have written it any worse for the industry if you had wanted to.

**Martyn Youell:** We have seen a local business that used to pick up prawns from inshore boats, an inshore brown shrimp fishery, that has not exported since the turn of the year. Sadly, I agree with Sarah: there are some extreme forces operating on the supply chain, and we probably will see some forced consolidation or business failure. That is impacting fishing businesses. We are struggling to find markets for some of the products we previously had very good markets for through small-scale exporters.

Those at the more medium size have had dramatically increased costs. Samways Fish Merchants, which I mentioned earlier, has taken on two full-time members of staff to deal with the extra paperwork. There have been dramatically increased costs. So far nobody in the Brixham-based supply chain has been eligible to apply for the £23 million compensation scheme. We need a short-term boost to get through what are massively exceptional circumstances. It is almost like an evil plan was conducted to undermine the fishing industry. It could not have been done any better.

Making it possible for everybody to access that £23 million—not just those who had failed shipments but those who battled through and incurred extra costs to get delayed shipments through—would be a help.

Q20 **Mrs Murray:** That brings me quite nicely to the other part of my question and something that is quite close to my heart, which is trying to find other markets. I remember back in 2010 my late husband and I worked with merchants and a restaurateur to try to promote different



species of British fish. It is something I am looking at now. Could you see seafood exporters turn to the British market? Would we be able to find new markets and persuade the British housewife or househusband to try different species of fish that we catch in this country?

The NFFO came out with a very good line: that we import the fish we eat, but we export the fish we catch. Somehow we have to change that around to perhaps eating the fish we catch. Will we be able to do that?

**Donna Fordyce:** It has been a long-term issue that has been looked at. Seafish has the remit for consumption, so it is starting a campaign called Love Seafood. It is doing a lot of work around consumption, looking at some of these products like langoustine, for example, that do go to the European market, and trying to get that change of mindset.

We are also looking at other market opportunities. Like I say, those are more orientated to retail and food service as well. Food service cries out for langoustine; it all goes to Europe. We know they want some of that. Some of this is about routes to market. Making sure there is that route to market even in the UK at times can be difficult. We also need to have businesses that can transition from food service to retail. Again, that takes a lot of infrastructure as well. They need to be SALSA or BRC-accredited; they need to have technical people involved in product innovation. There is a lot of mindset change that needs to happen to move from food service to retail.

We have plans in place to work on that, but, again, these are not quick fixes. Again, some of this will be more over the medium term. Where we are looking at retail, we can make a difference in two years' time. Those are the kinds of timescales we are looking at. We cannot change it overnight, but there is a lot of effort being put in to try to change all of this.

Even moving to retail internationally, it is very dominated by food service. You have more contractual obligations and more security with retail. It might not be as lucrative, but it is more secure.

Q21 **Mrs Murray:** Sarah, thinking about spider crab, for instance, could we see a market in the UK for spider crab? Are there other markets worldwide, like China, where we could perhaps improve in terms of the export of species of shellfish that we do not normally consume in this country?

**Sarah Horsfall:** It is very difficult. Historically, shellfish have been some of the worst consumed species across the UK. Despite previous campaigns from Seafish and the like, shellfish consumption has gone down and down and down. We feel that is linked to a lack of infrastructure, as Donna said. Particularly in terms of fishmongers, they have all but disappeared in most places now. We will get people come to us saying, "We want to buy this, that and the other, but we just cannot get it; it is just not possible to get it". Even the big supermarkets are



starting a trend to close their fresh fish counters now, and these counters were not very diverse in the first place.

With things like the Asian markets, you will be aware that of course we have historically been big exporters of live crab to the Far East, particularly to China. We have been blocked out of that market now for over a year. With Defra's help, we are trying desperately to get back into it. In terms of price and volume, that is a very significant market for brown crab exporters. In terms of the other crabs as well, we are working with Defra to get those into the Far East, into Vietnam and into Korea as well. We are also trying to reopen exports into China in terms of Pacific oysters. Those efforts are ongoing, yes. If we could get the UK to consume more shellfish, it would be wonderful. We try and we try and we try, and we do not seem to get very far at all, unfortunately.

**Q22 Mrs Murray:** Martyn, I have a little bit of a different question to you. We focused on shellfish there, but there are a lot of species that are caught around the south-west. I am thinking of squid, cuttlefish and all of that sort of thing, which perhaps the British consumer does not traditionally eat. Is there a way that we could perhaps persuade the British consumer to consume more of those species of fish? They are absolutely fantastic. Is there a way for us to increase the market for the non-quota species that are traditionally caught off the south-west coast?

**Martyn Youell:** Yes, absolutely. I could feel your passion when you were advocating it there. That is exactly what we need. I agree with both Sarah and Donna. There are timelines to consider here. Fishing businesses have to pay the fixed costs here and now.

I was on Budleigh Salterton beach in south Devon, and there was a queue of 12 people on Saturday to buy fish off the local fishermen launching off the beach. I believe there is a big appetite there. Retail is the potential growth area in the UK, and we need the whole supply chain—fishing companies, fish producer organisations, which have a role in marketing, Seafish and retailers—promoting British fish. It needs to be at the right price point. Sometimes it is too expensive to eat seafood. If we could make it more affordable and competitive with some other protein sources, you could see a big expansion. That may have implications for profitability and supply chains, but, yes, we have to be aspirational. We have the deal we have; we need the UK market to grow.

In fact, if you want to be tactical about it, the more fish UK fishing companies sell within the UK, the less powerful we make the clause that the EU has in the trade and co-operation agreement about renegotiation and taking punitive action if we remove access or extra quota from them in the future. That weakens over time, the stronger our UK and outside-EU consumption is. We must be aspirational there. We would be very keen to see anything that the Government can do to support that with funding and initiatives.

**Q23 Derek Thomas:** I am the MP for Newlyn in far west Cornwall. We have



quite a big port. Sheryll and I have spent quite a lot of time talking to the sector but also to the Government, the Prime Minister included, about how we deal with exports. While we want to focus briefly on the home market, the UK market, we fully understand that the export bit still has to be resolved. The UK market will never replace that completely.

Can you just resolve something in my mind? We have talked about getting the British consumer to eat different fish, but I do not think that is the whole of the problem. Basically, here in Cornwall—I know it is the same elsewhere—we will import the cod we eat from Iceland and we will export the cod we catch from Newlyn to the EU. Why is that? If we want to grow the UK market, surely we need to understand exactly what is driving that. Even for the very fish we catch, which we do eat around the coast, the UK market either does not get it or does not buy it. What is going on there?

**Chair:** I am going to throw that at Martyn first. He has been waxing lyrical about all the fish we should eat. Why do we not eat our own cod, Martyn?

**Martyn Youell:** Seafood is traditionally a highly international market. Product is transported around the world to meet consumer taste. With globalisation, we have reached our niche in terms of what we enjoy and our price points. What we are prepared to pay for products is very different country to country. In fact, a lot of the boxes of really high-quality, fresh and high-value produce—fishermen tend to call it prime—has found its way to markets prepared to pay that premium. A lot of those markets happen to be in the EU, where perhaps there is a different value placed on your daily meal or your weekly treat.

That is not to be defeatist. If there is a retrenchment from globalisation going on, we may as well start looking closer to home in terms of selling products. It comes back to the initiatives we talked about. There is a greater movement to buy local: low food miles, low carbon and supporting local jobs. We have to capitalise on that. We have seen some of that, particularly during the Covid lockdowns. We need to incentivise people to get out there, promote and sell this seafood at the right price.

It is one of the age-old challenges in the UK, but this is the time to be tackling age-old challenges. The very foundation of the regulations and the trade that we have known for the last four decades has changed, so we need a renewed effort to tackle that long-standing issue of domestic consumption.

Q24 **Derek Thomas:** That is brilliant. Before I bring the others in, I guess what you are hinting at is the fact that, if I want to buy fish and chips in Newlyn, I will be buying cod from Iceland because, actually, the Newlyn fish fetches a higher price if it is exported to Europe. That is what you are hinting at, is it not?

**Martyn Youell:** Yes. It is price and bulk supply. Cod happens to be one of the things that is not landed much in the south-west. If you had hake



and chips, you would have an endless supply of hake. We have Marine Stewardship Council independently accredited hake landed into Newlyn daily. If you are a willing consumer, it is about finding the triggers that mean you would be prepared to change your choice, whatever you base your choice on. That is what we have to focus on.

**Q25 Derek Thomas:** I will bring the others in now. What do the Government need to do to grow the UK market? What intervention are you looking for Government to do to make sure that there is a market here in the UK and it can help towards the problems we are seeing around exporting?

**Sarah Horsfall:** In terms of shellfish, it is very different from the finfish, the ones we are talking about. There is often a real reluctance in the UK to consume shellfish. The vast majority of it that is consumed in the UK is consumed through food service, which is why at the moment there is such a real problem for us as well.

Consumers seem to be very reluctant to consume it at home. There is a definite need for education policy. People need to know how they can access shellfish. They need to know how they can cook it. They need to know how they can make it safe and practical to eat. They also need to value it, because in many ways shellfish is at the more expensive end of the market. Whereas you might buy salmon and cod, if you are looking at crab and lobster it is definitely at a more expensive price point. That needs to be more valued by the consumer.

We would be looking for education, which is going to take some considerable time for the Government, so that people feel comfortable consuming it at home. As I said earlier, we would also look for an expansion in the retail market so that people can actually buy the product as well.

**Donna Fordyce:** I would echo what Sarah is saying as well. It is about that education piece. People do not know what to do with seafood. They do not know how to touch it, handle it or cook it. There needs to be a lot of education. We need influencers to be there on social media and on television, using UK seafood. We see that quite often with shellfish. There are quite a lot of programmes now that are utilising that.

We also need to make it easy at the point of sale as well. If you are going into a retailer, there should be instructions and recipes in terms of how you can cook the product and what you do with it. We need to have that greater awareness of the health benefits of it and what it does for you health-wise. Like I say, at the point of sale we need recipe cards; we need to have that material there so it is an easier choice for them to make. They have to see it as a quick meal. It is a quick meal a lot of time. Seafood is one of the quickest meals you can cook. It is just about getting these messages across over a number of different media.

**Martyn Youell:** It is about price and convenience. If we can find convenient ways to offer local seafood at the right price, people will



follow. I do not have a silver-bullet solution for how you do it, but, from a Government point of view, marketing budgets could be part of the various grant funding announcements that are put out. That would be a good place to begin. That harnesses and gives capital to some of the local initiatives. Each species will probably need some local action. There is quite a diverse set of species caught out there.

**Derek Thomas:** Thank you very much. I have finished, but I know Sheryll has a plan for how to get fish on the market. You will have to watch this space or watch her.

**Chair:** I am sure that, between you, you will get us all eating a great deal of fish. I love all sorts of fish. I reckon we will be pushing. Martyn makes a good point about the price as well. It is a bit like when you are selling high-end lamb and beef and everything else. It is getting the market right and the quantities right. Sheryll, Derek and all of us will get it right, I am sure. Thank you very much for that.

Q26 **Dave Doogan:** Thank you to our witnesses. I am enjoying the excellent evidence that we are gathering today. I want to move on to the seafood disruption support scheme, as it is now called. I know Martyn has touched on this already today. It has been described as not fit for purpose and has been criticised for not covering the costs of preparing for Brexit, not covering cancelled orders, not covering where product is now banned from the EU and not covering those who have been precluded or excluded from groupage solutions to courier. What will need to come at the back of the £23 million fund? Where has it fallen over? Is this remotely sufficient in terms of Government compensation?

**Martyn Youell:** Yes, it is very much a stalled start. The initial announcement was a very stringent set of criteria, and there was probably no hope of spending any significant proportion of that money. However, the Government have listened to some degree and expanded that out to other parts of the supply chain, including fishing businesses, which is a positive.

Yes, there are limitations. What we would really like to see is some recognition of additional costs, not just losses. There are companies that really fought through the night and were up until 3 am to get a consignment through and are now ineligible, having incurred a lot of extra costs, because they succeeded. It seems counterproductive to punish them.

I have not seen the detailed guidance since it was revised to cover fishing businesses, but there was a cap of £100,000 per business. That feels a bit arbitrary, given that you could have a larger business that has incurred perhaps up to £1 million of extra costs and a smaller business that has incurred £100,000 of extra costs getting the same amount of grant. That is potentially a weakness.



Finally, just looking longer term, this kind of intervention can only ever help you over a very short period of time. It cannot sustain an unviable export model, so I would just come back to my theme here: we do need concerted political effort, as Sheryll has said, with the willingness, which we really need to fight hard for, from the EU side to get businesses back on a sustainable footing. Nobody wants to be living on handouts.

**Q27 Chair:** Martyn, the Brixham auction market has put its prices up significantly, has it not? Is that going to be adding on cost?

**Martyn Youell:** Yes. As a fishing business you pay a commission when you land fish through a fish market. A commission might typically be around 5%, which is for the handling, the storage of the fish and presenting the fish for sale. Generally speaking, it is good value for money; it is the marketplace where fish is bought and sold.

Through no fault of its own, Brixham has found that it has had to increase that by 1.5%, which is very significant when that is 1.5% of your gross turnover as a business immediately imposed as an additional cost. Indeed, it is over £400,000 for a business like ours. That has been an added difficulty.

It is also now more expensive to buy fish as an EU customer, but if it had loaded all of those extra costs on the EU customers, we would have lost more than we have lost now. The costs of the export difficulties are being shared. That does not feel like it is going away any time soon. The large majority of those costs appear to be sticking around; they are the extra expenses of doing business. There is a concern that this undermines the profitability of fishing companies.

**Donna Fordyce:** When the £23 million scheme was announced and it was just around verifiable losses, there was a lot of anger within a lot of the seafood processors, because they did not have verifiable losses. They worked through the night and they made sure product got there or they just had to stop. Groupage stopped, so there was no way of getting product to their market, or they took a hit and hired a whole lorry when they maybe only needed a third of it. Transport costs have gone up 30% anyway since 1 January. They just took a massive hit to be able to get their contracts fulfilled. There was a lot of anger that they were excluded from that.

Large organisations were also excluded. Just because you are a large organisation does not mean you are profitable or you have huge profit margins. The large organisations were upset as well. We have four in Scotland. It was not a huge number that we were talking about, but they were excluded just because of their size. They made it an SME scheme as well.

Obviously, Scotland put out their own fleet support. There has been a lot of concern around the shellfish fleet for a number of months now, because they just did not recover all through Covid. When the



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opportunity for Christmas came up, we had the border delays, so we had a really precarious sector there. We were needing to do something. Then Brexit pre-empted that. The UK decided to open up the £23 million to the fleet. It still leaves the rest of the processing sector unfunded and in such a precarious situation with the loss of market. Again, that wiping-out included the loss of markets due to Covid and things, not just Brexit.

The processors have been impacted by that as well, and there is no sign of any support apart from if you have verifiable losses due to Brexit in the month of January alone. That is the only place processors could go.

**Sarah Horsfall:** I do not want to take up any time by reiterating what my colleagues have said, but we have to bear in mind that there is so little resilience left in the sector now. After the year they have had with Covid, particularly with food service being shut completely and, as Donna said, the issue we had with the borders being shut just before Christmas when people were trying to get product on to the marketplace, there is so little resilience left in the industry now.

When the scheme was first announced, I heard it talked of among the industry as “compensating the incompetent”, because the companies that had made the effort, done the background research, found what paperwork they needed and made the connections with their EHOs to get the certificates signed were the people who had fewer problems than those people who were less prepared. The people who were not as well prepared had huge problems at the border, and they got compensated, whereas some of the others who had made massive efforts at cost to their business beforehand did not get the compensation.

Of course, you will not be surprised to hear me mention live bivalve molluscs. Those were initially completely excluded from the scheme. We now understand that they are now going to allow live bivalve mollusc people to access what is left of the money in the scheme. The sector that has been most hit financially by being completely blocked out of the marketplace is left with what is left after everybody else has had a bite of the pie. That seems particularly unfair, although I will say that it is very fair that it has been widened out to include the fishing fleet now. That is a good move.

Q28 **Dave Doogan:** Finally, I have a very brief question to all three of you, please. Is it your professional view that this fund will have to be repeated or augmented with further investment and support in the industry?

**Martyn Youell:** Yes. We are seeing long-term costs, so some form of support will be needed to get businesses through until we get what I hope will be more favourable trading terms. That is at least a medium-term target.

Q29 **Dave Doogan:** Donna and Sarah, do you agree with that?



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**Donna Fordyce:** I agree, yes. We need to see some funding going in in the short term to shore up some of the processors over the coming weeks to help with their fixed costs, et cetera. We have to see them through so that when markets open up and things get a lot easier as well in terms of getting product in they are still surviving to take up these opportunities.

**Sarah Horsfall:** I agree as well. Bear in mind that none of these businesses want to survive on handouts. They want to be able to run a profitable business. It is just impossible at the moment. I would also like to say that, as far as the fishing boats are concerned, many of the smaller ones, which do not run as registered fishing vessels, are excluded anyway, particularly in the shellfish sector. If you are talking about people going diving for scallops or even hand-gatherers for product, they are completely excluded as well. The scheme has not been well thought out and it has not yet been widened enough.

**Mrs Murray:** It was not what was left in the £23 million scheme that was made available to the bivalve mollusc vessels. It was the scheme that was announced two weekends ago: the catching sector would get the same as they got under the original Covid recovery grant. It was the £23 million, but it was actually two different schemes, Sarah, and it was not what was left. There was another scheme for the catching sector, for registered fishing vessels, that was announced not this weekend but last weekend. I just wanted to clarify that.

Q30 **Douglas Ross:** Like Pete Wishart, can I thank the EFRA Select Committee for inviting us along? I hope Pete and I are able to contribute as positively as you and Dave Doogan did to our inquiry earlier on this term.

I would like to start by focusing on the discussion we have just had about the compensation. Both in terms of the compensation and how that developed and on the concerns about the deal and paperwork and bureaucracy, can our three witnesses outline what kind of contact they have had with Government? Donna, for you this is both the Scottish and the UK Governments; for Martyn and Sarah, this is specifically the UK Government. Throughout the difficult weeks and months you have had so far, do you feel that you have had an in to the UK Government and the Scottish Government to express concerns? What has the feedback been? We could maybe start with Donna, who is dealing with both Governments.

**Donna Fordyce:** Yes, there has been engagement from both Governments. They have recognised that there have been issues, even though they were termed "teething troubles". There has been full engagement from both the Scottish Government and the UK Government. Defra set up calls twice weekly as well, so we have had that engagement. George Eustice has come on to the calls; we have had Victoria Prentis; Fergus Ewing has had calls with the industry as well.



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I really think that people are trying to get things done, engage with industry and understand. It is just about the actions following that. The task force was set up to try to progress some of that as well. That is really good in terms of Scotland-UK participation as well. It is still a UK issue. It is not just a Scottish issue that we are looking at. I personally think there has been good engagement from both sides.

**Douglas Ross:** Thank you, Donna. I want to come back on the taskforce in particular, so I will come back to you on that.

**Sarah Horsfall:** I agree with Donna. We have had very good engagement primarily with Defra but also the Scottish Government, Welsh Government and Northern Ireland throughout the process. They have definitely listened and been available to listen to the problems the industry has had and then act on them.

Of course, some of them have been easier to fix than others, and in some of them we have not made any progress at all, like live bivalve molluscs. They listened to everything the sector has said and they asked us for our suggestions, but we have got absolutely nowhere so far. It is not just within the Government on our side's gift to make any progress; it has to be in conjunction with the EU as well. Largely, that is where the difficulty lies.

Q31 **Douglas Ross:** Just before I bring Martyn in, Sarah, we looked at the live bivalve molluscs in the Scottish Affairs Committee and we could not really get an answer on how it affects Scottish waters. There is some belief that Scottish waters are all graded as A, but I have now learned about the process of being graded as A. Could you just outline where you see the problem with Scottish waters, or is it not a problem at all?

**Sarah Horsfall:** It is very much less of a problem with Scottish waters, because, as you say, of the predominance of class A waters in Scotland. There is no problem exporting live bivalve molluscs from class A waters to the EU because they go as a food product; they do not go as a live animal. They go already as a food product, and that is fine. There is very little problem with live bivalves in Scotland at all. There are massive problems, clearly, in England and Wales, because we do not have the luxury of having those class A waters.

Q32 **Douglas Ross:** That is really useful clarification for our own report. Martyn, can I bring you in on the dialogue with Government?

**Martyn Youell:** I was a civil servant in Defra for 10 years, so I know what it feels like to be presented with a crisis and to have sometimes limited tools at your direct disposal as an individual to solve them. The Government get 10 out of 10 for listening, but two out of 10 for action. That is not to criticise the civil servants.

What we really need is a firm campaign to iron out a lot of the detail. We have not got into a lot of the detail today, and we do not need to because it is in the written evidence. Taking one by one the suggestions that have



come forward, there could be risk-based assessment of health certificates so not every consignment has to be inspected by vets. It is risk-based; you earn trust as an operator by operating within the law. These are principles of regulation that have been around for a long time. Why can we not have a sensible conversation, politician to politician, with the EU and agree some of these things that will help both sides greatly?

We appreciate the efforts of the civil servants and the public servants, but we have not seen that translate into really fundamental action. That is what we really need now.

**Q33 Douglas Ross:** Donna, finally, can I just ask about the taskforce that you mentioned specifically? This has been set up and it is chaired by the Minister from the Scotland Office. It has now met twice and some outcomes have already been published. How has that taskforce worked, particularly in terms of bringing industry and both the Scottish Government and the UK Government together?

**Donna Fordyce:** The taskforce was set up with industry bodies and with Government. There was no industry brought on with technical expertise. I felt they should have had that, but we have resolved that by looking at technical working groups as well. As Martyn says, they have been really good at listening and doing some of the very short-term immediate things, for example on commodity code issues and all of that.

It is about the wider issues. That is where the taskforce is going to come to the fore. It is about pulling together everything that needs to be done and ensuring that it is all being done, but then also looking at how that gets actioned. It is about action-oriented solutions and actions. What do we need to do to action this? Is it to go the head of HMRC? Is it to go to the European Commission? Is it to go to the Dutch authorities and ask why they are being so different from the French authorities? It is really just about trying to get to the root of the problem. What do we need to do to solve it? How can we solve it as soon as possible? That is what we need to do.

We need to collate as much as we can that needs to go to the European Commission so we can go with one ask and say, "These are the issues, and we need them resolved". It is just a variety of actions that are being looked at. They have a focus for each of the weeks, because it is just a short-term taskforce. There is a technical working group this week working on the efficiencies and costs. They have to drill down into that and try to get a report of the actions and how that needs to be moved forward.

**Martyn Youell:** It is just a question about whether the rest of the UK is going to be dragged along in the slipstream of the Scottish taskforce. It sounds brilliant. Why would it not be UK-wide? Fair play to the Scottish stakeholders, who have really stepped up and got that moving, but why not the whole UK?



**Chair:** That is very clear evidence.

**Douglas Ross:** A lot of the outcomes will be similar north and south of the border. It is certainly something that this Committee and our own Scottish Affairs Committee can feed back to Defra. Some of the action points from the Scottish taskforce may be UK-wide as well. Thank you to you, Chair, and to our witnesses.

**Chair:** Thank you, Douglas. You pushed your boat out fairly far with the questions, but thank you very much. They were very good questions. I hope they are good for the Scottish Affairs Committee when you put your stuff together. We appreciate you being here this afternoon.

Q34 **Rosie Duffield:** Lots of what I was going to ask has been covered already. The panel have done a fantastic job. Clearly, I have a big interest in live bivalve molluscs because of the exports of Whitstable oysters and whelks. I know the impact of this on those small local businesses.

I am just wondering whether Sarah in particular has a view on what has just been discovered in PoliticsHome earlier this week. There was an article about the Minister George Eustice saying that initially he was led to believe, or he understood, that from April 2021 this ban was going to be lifted and everything would start up again. I need clarity on this, and we have not had it at all. It looks as though he possibly unwillingly misled Channel 4 News, and PoliticsHome reported on this. Do we have clarity on whether that is going to resume again or whether this ban is in fact permanent? Sarah, what is your take on that?

**Sarah Horsfall:** It is really difficult. It is a really complex area. We were told by Defra way back in September 2019—they wrote to us formally—to say that product from class A waters was going to be unaffected, which has turned out to be the case. That is absolutely true. They said that product from class B or class C waters was going to have different problems. If it were aquaculture product, it would be unaffected by the end of Brexit. Aquaculture product from class B and class C waters would still be able to be exported to the EU for depuration. This is what we were told in 2019.

At that point, though, in 2019, we were told that there was going to be a problem with wild-caught product. Here we are talking largely about scallops or cockles rather than oysters or mussels. Because the aquatic animal health legislation was changing in Europe, there would be a new certificate introduced. They anticipated that it would be on 21 April 2021, which would then enable wild-caught live bivalve molluscs from class B and class C waters to be exported alongside the aquaculture ones as well.

As we know, that has not turned out to be the case. We got into January this year with no notice at all. All the businesses were completely unprepared for exports to stop. The exports of aquaculture product stopped dead halfway through January this year. The EU's position has been, "No, we never said it was possible to export these products. You



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can only export class A product or product from class B and class C that has been depurated—that is, purified—before it gets exported.” It was a complete shock to the industry. Nobody expected it. Nobody was able to prepare for it in any way, shape or form.

Directly to your question, what we expect now is for it to apply for wild-caught product as well. We always expected there to be a problem with wild-caught product between January and 21 April, but we now think it is likely that the situation will not change beyond 21 April and there will be a permanent ban on live bivalve molluscs from class B or class C waters being exported to the EU.

As I say, there was no notice at all. Business had no time to prepare whatsoever. All of a sudden, that is it and you have no export market. Essentially, in the majority of cases the product is exported. Therefore, you have no market. It has left live bivalve mollusc people in a desperately difficult situation, because it is not like they are running a factory. If they have no market, in a factory they could essentially turn off the machines, turn off the lights, lock the doors, mothball it and go away for a while while it sorts itself out.

People cannot do that in aquaculture, because they are farmers. They have stock that needs to be tended and maintained. It does not stop growing; it can grow beyond market size, if we are not careful. It has to be harvested at a certain point. They cannot stop incurring costs, unfortunately, but yet they can see no way out to a marketplace at the moment. That puts them in the awful situation of trading insolvently in many cases, because they are incurring cost with no prospect of getting sales in. As I understand it, that is an illegal thing for them to be doing in the long term. They are going to have to be looking at themselves and see whether they can be a business as a going concern over the very near future now.

We mentioned the seafood disruption support scheme in the previous question. We are waiting for some kind of support for them to be detailed in that. If we are talking in terms of Covid support, aquaculture businesses were given grants of up to £10,000. We have aquaculture businesses incurring costs of between £5,000 and £150,000 a month. That is the scope of the industry. If it is £10,000 between January and March, it is not really going to touch the sides; it is not going to make a dent on the position people are in, unfortunately. It is a very, very difficult situation.

**Q35 Rosie Duffield:** Thank you very much. That has just spurred a lot of questions in my mind, but it is clear that you absolutely understand the problems my fishers are facing and the producers in Whitstable harbour and along the east Kent coast, so thank you for that.

You mentioned that you have very good engagement from Defra, but would you say that has been specifically there to help my small producers? They are not giving me that impression at all. They are such



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niche problems. I have sat in hundreds of meetings with Michael Gove over the last three years where he has assured me that exports would not be affected by Operation Brock, for example, and those kinds of problems of Brexit. We can see that absolutely is not the case. Do Michael Gove and George Eustice understand the problems faced by producers? Are they directly helping them? How are they supposed to tap into this compensation?

**Sarah Horsfall:** As you say, it is really difficult. It is a very complex area. It is difficult for anyone to understand it. We have been talking to Defra almost daily throughout this situation, and we have spoken to an awful lot of officials. Yes, they do not understand the detail very well, or they did not back in January. We felt that there was definitely an understanding gap. They did not necessarily understand the way the industry operated, particularly when you are talking about very niche places in the marketplace. They perhaps had a vague understanding of how the bigger ones worked, but there are so many absolutely different sets of circumstances.

They have been getting themselves up to speed, and they absolutely have been listening to the industry very hard and they have been gathering information together. Unfortunately, it has not produced a positive result at all for us yet. We have seen the Secretary of State making very bullish statements and saying, "The EU are wrong. They are just wrong in their position". I am no politician, but perhaps that has not helped either. Perhaps we can pursue a more nuanced approach from now on. Perhaps we can identify the relevant people in the EU who are blocking this and speak to them about the details.

We are talking across a number of different species here and they all have very different requirements. If you are talking about oysters, mussels and cockles, for example, the oysters are exported live and they are eaten raw in many cases. That is a very different product from cockles, which may be exported live but are then cooked and canned. That is very different set of issues. Maybe we need to be approaching the EU to identify the relevant people and get down to the real issues and say, "Okay, perhaps we cannot export across the board. What about this species and these circumstances?" There may be some things we can do or we can ask of the EU that may be easier for us to negotiate at this point. At the moment, we have nothing. Anything is a win here.

Q36 **Rosie Duffield:** That has been really helpful. I wonder whether any of the other panellists want to come in on this. Have you received corroboration from the Secretary of State about exactly what he meant in his statement?

**Donna Fordyce:** Sarah is the one who deals with all of this, so Sarah is really the spokesperson for the industry on this.

Q37 **Chair:** Before I bring Barry in, Sarah, I think I am right in saying that before we were considered a third country, we were selling the shellfish



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and they were going to the EU, they were staying in a restaurant in a tank for a couple of days and then they were served, and they were cleaned in that process. Is there a way that we can create more tanks and do this cleaning ourselves? How quickly could it operate if we did so? The EU is being pedantic on this—there is no doubt about that—but we have to sort it out for you seafood people to be able to get that fish over there. Would it help to put investment in there?

**Sarah Horsfall:** What you are essentially talking about there is deperation of product. That is the process by which we purify it. It is a little difficult. It would be lovely if we could build a massive facility and deperate all our product on this side of the water. Unfortunately, that is not going to work. Once you have deperated the product, it becomes a weaker animal. It is not as robust as it was, and then you have to ship it for perhaps two days in a lorry into the EU, and it is already weakened. You are talking about increasing the mortality at that stage.

Then, when it gets to the other end, it has to be re-immersed in water to revive it a little bit, if you like, or to bring it back to life in certain ways. It is the re-immersion that can still be the problem at that point. It is not as if you are deperating it here and then putting it in a vacuum pack ready to eat. That is not the market that we are engaged with, unfortunately. The market we are engaged with is that on the other side of the channel, people hold the product in tanks and then they package it and sell it to whoever it needs to be sold to at the time. It is a little bit more complicated.

The thing that will help most of the live bivalve mollusc producers more than anything else would be if we could look quickly at the classification system for waters. As was illustrated by the Scotland question, Scotland does not really have this issue because it runs its classification of waters system differently. It is no worse than ours, but it certainly allows the producers in Scotland a much more flexible approach to the classification. We need to get into the detail of the classification and allow ourselves some of the flexibilities that exist not only in Scotland but in France, Spain and Italy. Everywhere else has a more permissive classification system than we do. If we can have a relaxed approach to our waters in England and Wales, it is going to help more people more quickly than anything else, other than sorting it out with the EU, of course.

Q38 **Rosie Duffield:** As someone who is not at all an expert in fisheries, I am so grateful that Sarah absolutely is and that she is clearing this up for me. It is also worth saying that my local oyster farm has their own purification facility. It seems that all this is endless bureaucracy, which we do not necessarily need. It might be worth pointing that out.

**Sarah Horsfall:** If they have their own purification system, which Whitstable does, of course, they are selling into a different marketplace. They are essentially then selling class A product. They can export, so that is fine for them.



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**Chair:** As Rosie said, it is the bureaucracy that we have to try to sort out.

Q39 **Barry Gardiner:** I am grateful to Sarah for the way in which she explained the whole purification process that happens once the class B product has got to the continent. I thought that was very helpful. Has she seen the extract from George Eustice's letter of 10 December, where he makes it clear that the export of impurified live bivalve molluscs from the UK would be prohibited from 1 January this year? Have you seen that extract, Sarah?

**Sarah Horsfall:** Yes, we have seen the documents that have been published in the parliamentary Library. We have seen those, yes.

Q40 **Barry Gardiner:** They conflict with the information that was publicly available at the time, do they not? They conflict with the way in which the Secretary of State and others in the Department had constantly been reassuring the industry that it would be all right. Would you like it to be something that this Committee recommends or asks of the Department that the Secretary of State should make available all the information he had about this issue so we can clarify exactly who knew what when and who was telling what to whom?

**Sarah Horsfall:** Yes, it would be very helpful if we could have all of the information. We have been asking for it for upwards of two years now. We have been asking Defra for clarification. When they came to us and they said, "Yes, it is absolutely fine. Class B product can be exported", we asked for details; we asked them on what basis they were saying that. We were never provided with anything. The first time we have seen all of this is when it was published in the parliamentary Library. Yes, it would be useful to understand that better.

Q41 **Geraint Davies:** Sarah, from where I am sitting in Wales, the people who are fishing for cockles, mussels and oysters in Welsh waters are now seeing their businesses collapse. Have they been misled? Contrary to what George Eustice is saying in his secret letter about there being no hope, are you saying that there is a hope if we reclassify those waters? Is there a hope of reclassifying Welsh waters so that we would get permissible trade? If we were friendlier to the EU, would we get better results than people grandstanding and letting down our businesses?

**Sarah Horsfall:** It is really difficult for me to comment on whether we were misled or not. I do not have the evidence; I do not have access to the evidence to make an informed judgment on that. We are going to have to see what comes out in times to come. We are where we are. In terms of dealing with it, the best solution is for us to go to the EU, to negotiate our absolute best and to do everything we possibly can to get back to the situation we were in before December 2020.

If that has to be in stages or it has to be a bit more nuanced in terms of species, as I have said before, that is the way it has to be. The negotiation back to the position we were in is obviously the holy grail



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here and obviously what everybody wants. However, if we are not able to get that, there are certain accommodations that we can make in order to put the industry in a better position than it is in now.

As I have just said, classification is first and foremost among those. Increased depuration may, indeed, be another one, but if we could sort out the classification system quickly, that is our easiest win for the most people here. I would caveat that by saying that we at the Shellfish Association have been trying to sort out our classification system for the last 30 years. We have been trying really hard, and it has got us absolutely nowhere. I am a little bit reluctant to put all my eggs in one basket, but essentially we are talking about a more flexible classification system, absolutely still within the rules, as other countries do, and perhaps some areas of water-quality improvements as well.

It is very complicated with the situation as regards Ofwat and the spending cycles of improving water quality. The issue gets very complicated. Perhaps at times it has not been pushed as hard as it could be in terms of improving the water for shellfish water quality as well. Those two things combined would make a vast difference, if we were unable to make headway with the EU.

**Chair:** Thank you very much, Sarah. That is very good evidence. We will put our environmental hats on and we will see what we can do about the waters in the future, but you need something sorted now, do you not?

Q42 **Barry Gardiner:** I will try to keep this snappy, because I know we are way behind time. Sarah, I want to focus on the Government guidance and the communications. Can you just run through the changes you have had to cope with in terms of the new non-tariff barriers the industry is facing and the additional documentation? Can you tell us whether you feel the Government were upfront about those changes beforehand? Maybe you could just quickly adumbrate what they were—for example, there being no equivalence mechanism, or EHCs.

**Sarah Horsfall:** Essentially, the problem is that we have live bivalve molluscs from class A waters that are able to be exported. They are exported on exactly the same terms as Donna's or Martyn's product would be. It is exported as a food product. It has to have the EHC accompanying it, so it has to have vet checks. It is exported on the basis of a fisheries product and it goes through border control posts that are for fisheries products. It is exactly the same as any other type of fish, essentially.

The problem is with the class B or class C product. The problem is that there is just not a certificate available to us. It is classed as a product of animal origin rather than a fisheries product, because it is not fit for human consumption if it comes straight from class B waters. It has to undergo some further process in order for it to go into the human food chain. That is the difference between it and the class A product. That further process can be a couple of things. It can be cooking; it can be



deputation. There are a couple of different things that it can be, but it does have to undergo that further process. There is no certificate available to it, unfortunately, for it to pass through the border control posts.

**Q43 Barry Gardiner:** I am sorry; I am conscious of the Chair wanting to move us on. I was asking a more general question than just the specifics about the bivalve molluscs from class B waters. It is a more general question about the new regime that the industry, not just shellfish, is facing and the new checks and pieces of documentation that you have had to cope with after the end of the transition period. Donna, you are putting your hand up; maybe I should come to you.

**Donna Fordyce:** Do you want me to touch on some of the things we have to do?

**Barry Gardiner:** Yes, that would be helpful for the Committee so we are aware of everything you are having to face.

**Donna Fordyce:** There is a catch certificate required. There is attestation. A lot of the SMEs especially are going through hubs, so they need attestations as well for an EHO to sign the certificate offsite. You need your health certificate; you need your commercial invoice; you need TRACES activity; you need an export declaration; you need a transit declaration; you need an import declaration; you need a safety and security declaration; you need a GMS; and then there are border control point inspection costs as well once you get there. You have all your paperwork, and then there is an additional cost once you get there as well. There are up to 12 systems that you need to input information into.

**Q44 Barry Gardiner:** There are e-logs, community codes, advanced notification of loads, physical checks. You did not even mention those.

**Donna Fordyce:** Those were just the actual process, and then you have those. We have it all mapped out, so we are happy to send that on, if it would help.

**Q45 Barry Gardiner:** Yes, it would certainly help the Committee to see exactly what you have had to cope with under the new regime. Tell me this: were the Government naïve about the need for all these new checks, processes and documentation after the transition period? Were they incompetent? Did they not realise that you were going to have all of this? Did they just not want to be upfront about the potential problems that you would face as an industry?

**Donna Fordyce:** There was a lot of communication. There was a lot of guidance developed. There were 200-page or 300-page guidance documents. There was a lot of information gathered. At times, it was very much, "We will deal with this element and then we will deal with another element". The whole journey was not mapped out and explained properly. There was a lot of effort put into guidance; there was a lot of effort put into webinars. There were a lot of different things, but, at the



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end of the day, there are still specific issues that are not covered in the entire guidance. You are trying to cover everything. Things are not tested in real time. A lot of this was not trialled and tested. It is not until you do that that you realise there are gaps and issues. I know there was a lot of effort to communicate with the industry. They were dealing with Covid but there was a lot of effort put into it. It is just so complex, as you can see, to try to work through all of that.

**Q46 Barry Gardiner:** Where it failed, it was not for a lack of trying on the part of the Government. They tried to map it out, but there were gaps.

**Donna Fordyce:** There were gaps. It is just that volume. It is just that volume for companies to take in the enormity of it all. People were saying, "What does a deal look like?" even though they were getting over to industry, "This regulatory paperwork will be there, deal or no deal". Whatever the deal was, this was going to be compulsory. Some of the industry thought that it would change if a deal was done.

**Q47 Barry Gardiner:** Martyn, Scotland Food and Drink said that during the transition period there was "a fundamental lack of honesty" on the "scale of challenges that would be faced". Is that fair?

**Martyn Youell:** From a fishing business point of view, the timing was not helpful. We all spent Christmas eve and Christmas day reading the deal, and it turned out that there was a lot less of what we wanted in there than we had hoped.

There were good efforts made to communicate but only within the bounds of what was known. For a fishing business, the things that have really impacted us are the quota levels, the access to each other's waters and international quota trading, for example. The civil servants did not know and we did not know, so there was no preparation that could be done, because of the timing of the deal.

Indeed, a lot of the high-level agreement in the trade and co-operation agreement leaves the detail to be worked through by a specialised committee on fisheries. There is no sight of that specialised committee yet, and I would not mind betting that it will take months or years to establish. Where does that leave us in terms of trying to plan our fishing? Soon we will be a quarter of the way through the year.

**Q48 Barry Gardiner:** How has it been since 1 January? Has there been a move by Government to get some sort of practical response in place to the problems that have arisen?

**Martyn Youell:** From our point of view as a fishing company, what we really need are answers to some fundamental questions. How much can we catch this year in what areas? Who has access to what waters? This is some really fundamental stuff that normally you know before the start of the year.

**Q49 Barry Gardiner:** You talked in your evidence earlier about some of the



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companies that you knew thinking about relocating to the continent so that they could avoid these problems and land their catch there. You spoke about the need to try to do a negotiation. From the EU's point of view, if they see companies thinking about relocating to them, they will not have much incentive to negotiate and sort this mess out, will they?

**Martyn Youell:** You could take the adversarial ultra-competitive view, but actually it will be in their interests for their existing companies to be able to trade freely as a significant market, particularly for foodstuffs. I would be more optimistic that the Government could negotiate some improvement on that front.

Q50 **Barry Gardiner:** All of you talked earlier about the Seafish Love Seafood campaign and the impetus the Government are trying to put towards getting us to eat more fish. Looking at that campaign, it seems to me that the sort of fish they are trying to get us to eat are the high-end species. The recipes they are giving are in the wrong months. If you look at the March recipe for cuttlefish, that is the end of the season for cuttlefish. It talks about descaling brill, which of course does not have scales.

If it is going to focus on getting us to eat more fish in the UK, and more of the fish that we catch, should it not be looking at the species that are more difficult to market, the haddock and so on, that we can get out there? I wonder how effective you think that campaign really is, because I think you said that fish and shellfish consumption in the UK is going down.

**Martyn Youell:** No, I did not say that.

**Barry Gardiner:** I am sorry. It was Sarah that said it.

**Martyn Youell:** That was more targeted at shellfish. I do not want to put words in your mouth, Sarah. You mentioned haddock. Haddock is one of the things we consume in big quantities. We import haddock to meet our demand for fish and chips. Cuttlefish is massively underutilised. We are still catching cuttlefish now. It would be a good March recipe.

Q51 **Barry Gardiner:** It is the end of the season now, is it not, Martyn?

**Martyn Youell:** It finishes towards the end of March, yes. Every effort to promote UK consumption must be encouraged. Yes, the detail must be right. If there are some errors in the detail, let us work together, collaborate, correct them and get it out there.

Q52 **Mrs Murray:** Sarah, were you aware that on 27 September 2019 Commission services provided advice to the UK chief veterinary officer that bivalve molluscs are exported to the EU for purification and they can be certified with the model export health certificate set out in part A of annex IV of Commission regulation No. 1251/2008? This led the UK to believe that they would be able to export these bivalve molluscs in exactly the same way post the transition period as they were before 1



January this year.

**Sarah Horsfall:** Yes, Sheryll. I believe that is what the whole UK position was based on, along with the advice they gave to us, although they did not actually show us that piece of text at the time. To be perfectly honest, if they had, it would have raised questions in the industry. Although the reference there is to product for purification, we must bear in mind that class A product often goes for purification anyway. It certainly did not mention class B product, which in a way is the key piece of information that was missing. There is definitely the propensity for a bit of a misunderstanding there on that piece of evidence. We would not have interpreted it necessarily in the way Defra did just from one single paragraph.

Q53 **Mrs Murray:** But that interpretation, or misinterpretation, could also be viewed as being on the part of the European Commission in terms of what they had told the Secretary of State or the UK chief veterinary officer at the time.

**Sarah Horsfall:** Yes, absolutely. It could be either way. I have not seen everything and I am not party to everything, so I could not say who is in the right or who is in the wrong at all.

**Chair:** Can I thank Sarah, Donna and Martyn for a really excellent evidence session? It really is fundamental for us when we are putting together a short report on how we can get help out to the industry, how we can get it moving and try to cut through some of the bureaucracy and get some better deals for you in the long run, looking at compensation and everything else. It has been a really good session.

If there are bits and pieces that you particularly would like to see in our report or if there are bits and pieces of evidence that you did not feel you managed to get in, for goodness' sake let us have it in writing. I feel that this was an absolutely excellent session, and all of you gave great evidence. Thank you very much. We will put it together as soon as we can and as quickly as we can.

We have the Secretary of State and Ministers coming in, so we will be able to put a lot of this to them as well. We very much appreciate your time. We are sorry to keep you so long, but I hope you enjoyed it anyway. Thank you very much for coming. You can either stay on and listen to the meat processors and others or you can leave us; it is entirely up to you. Thank you very much for this afternoon.

## Examination of witnesses

Witnesses: Nick Allen, Charlie Dewhurst and Dan Phipps.

Q54 **Chair:** Thank you very much, all three of you, for joining us. Sorry to keep you waiting but, as you can imagine, the fish one is particularly onerous at the moment to try to get to the bottom of. We really welcome you being able to come and tell us what is happening in the meat



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industry. Would you like to introduce yourselves for the record, please?

**Nick Allen:** Good afternoon, everyone. I am Nick Allen. I am chief executive of the British Meat Processors Association.

**Charlie Dewhirst:** Good afternoon. I am Charlie Dewhirst, senior policy adviser at the National Pig Association.

**Dan Phipps:** Good afternoon. I am Dan Phipps. I am a sheep farmer in Suffolk primarily, but I am currently the chairman of the National Sheep Association.

Q55 **Chair:** Thank you very much to all three of you for joining us this afternoon; hopefully it will not be this evening, but thank you very much for being with us. First of all, are the problems being experienced by meat exporters predominantly teething issues, or is it a longer-term structural issue?

**Nick Allen:** There have been a huge number of teething problems, but we still fundamentally believe that the system is flawed. We are getting over the teething problems but, as I said in my written submission, between 125 and 150 separate technical issues have had to be sorted out in the first six to eight weeks of this system running. That suggests that there were problems with the system in the first place. We cannot get away from the fact that this system is creating delays.

Even when our members are getting it right, and a lot of them are starting to get it right and getting their paperwork right, there are still delays built in. They get in the way of us supplying this just-in-time supply chain that we have got used to supplying. A lot of our customers on the continent expect these regular deliveries to come in promptly and on time.

We are getting our way through the teething problems. There have been a lot of them. They are still going on. On a daily basis we come across new ones, so there is still a little way to go. Things are improving, but we cannot get away from the fact that fundamentally this system needs reviewing from start to finish if we are going to operate in the way we were doing and hold on to the markets that we have fought hard to gain over the years.

Q56 **Chair:** They are improving, but you believe there are fundamental problems there, do you?

**Nick Allen:** Yes. The whole system that we have at the moment feels as though we have stepped back into the 1950s. We have lorry drivers driving around the countryside with huge quantities of paper. I submitted in my evidence the complicated process that we have to go through in a diagram. It is too long-winded. There are too many moving parts. In this day and age, surely we should be able to digitalise this. I accept that probably has to be in conjunction with the Europeans. We cannot just do it on our own. There are things that we can do here at home to improve



things, but fundamentally we believe that if they want to trade with us and we want to trade with them, we have to have a better system than this. Otherwise, there are certain parts of our market we are just going to lose completely. They are not going to be able to be replaced by sending stuff around to the other side of the world.

- Q57 **Chair:** Thank you very much for that. A point I made with the fisheries group was that for digitalisation, if we could actually form that, then it would improve the EU situation after April, when they are exporting to us. It is a good point made. Charlie, I do not know what the situation is now, but I know pork meat was particularly badly affected. What is the situation at the moment?

**Charlie Dewhirst:** It was and there are three parts to this problem. There were those initial teething problems that came as a result of new systems, new paperwork and people getting used to those. In many cases that has improved, as Nick said. The pig industry has some particular issues that have arisen, like the trichinella testing problem where we cannot export those animals. We cannot export live animals for breeding, which is obviously a big part of the UK genetics market.

Those two issues are not insurmountable in the short term and we can see a way through those, but then there are the longer-term issues, as Nick alludes to, like the digitisation of processes and modernisation of systems so that we can reduce the time and the cost to the system. There are three different parts to it and different timescales as to how we solve them.

- Q58 **Chair:** On pig exports, there are the landrace and large white, but there are all sorts of variants of that now in the pig breeds we have. Are we quite leading in pig breeding? Where are we on that?

**Charlie Dewhirst:** Yes, it is a big industry. Last year we exported just under 14,000 animals across the short strait. A lot of breeding stock goes over to Europe. A lot comes back. It is an important part of the industry. At the moment, the problem is the border control posts have not been built on the mainland Europe side of the channel. That is not necessarily a British Government or EU decision, because these are commercially owned ports, and it is up to them to build them.

In preparation for what will happen in April and July in particular, the British Government are working with ports to ensure that we will have those border control posts in place to receive animals coming the other way. We were working with Rotterdam and with others to try to find a solution at the moment, but our breeding companies are simply unable to send those animals into Europe at the moment.

- Q59 **Chair:** On port prices, how have they been affected by the situation vis-à-vis exporting into Europe?

**Charlie Dewhirst:** The pig industry in the UK is in the eye of a perfect storm. That is not just EU-exit-related. That is Covid and external market



pressures, both domestic and international at the moment. We have a big problem in terms of the price being right down and input costs being very high in terms of feed and straw.

On top of all the issues with pigs backing up as a result of supply chain issues with Covid, we have then found we cannot export those animals, which has added to the problem. The cull sows—the older animals that we do not tend to eat in this country, which we export to Germany, where they turn them into sausage and bratwurst and salami—were obviously heavily hit early on. That export market really was hit, and those animals were then adding to the backlog that was already on farms. That is improving. The volumes we are getting over to Europe are improving, but if you add all the other issues of Covid and the market pressures on top of it, pig producers are currently losing around £20 per pig at the moment.

**Q60 Chair:** Dan, the good news is that we do not have a £45 tariff per sheep or per lamb that is being exported to the EU. That is good news. Are we still able to export lambs and sheep, or certainly meat? What is the situation?

**Dan Phipps:** I agree fully. I feel quite guilty listening to Charlie's situation. The lamb situation has not been like that. It is in short supply currently, as in most places. It has just become a lot more difficult to get it over the water. We are hearing from people that are sending it over, much as Nick says, with problem after problem. We hope they are teething problems. They seem to be suggesting most of them are getting easier and they are finding ways around things, but we need that to continue and improve so that we can resume, particularly as we move forward to a higher selling time that is ahead of us post lambing. We need those lamb quantities into Europe.

**Q61 Chair:** A lot of people sold their lambs prior to Christmas because they were worried about what the situation was likely to be in the new year. I imagine the market is tight. It is interesting on the fish as well as the meat. If, after Covid, you get a lot of the restaurants open again, I have a feeling that, when the demand is greater on the continent, they might—dare I say it—have fewer checks. That is just my intuition as to where they might be. Having represented Gibraltar for some time when I was a member of the European Parliament, it would depend on whether the Spanish guards had much to do that day as to whether they stopped you on the way out. It is just one of those issues. In the lamb trade, you have the bureaucracy still, but the prices are pretty good at the moment, are they not?

**Dan Phipps:** Yes, you are hopefully right and that will be the case. You are absolutely right again that prior to Christmas there was no need to withhold lamb. The price was strong, and people certainly did not. Again, that has created or helped to maintain that shortfall, which is keeping the lamb price good. Like I say, there is less lamb around than any other part



of the year. We are keen to see things improve so we can keep things moving.

**Chair:** The message we are getting from everybody is to try and get through some of this bureaucracy of paperwork, make it much more electronic and see if we can get the EU to recognise it. It flows well off my lips but it is not quite so easy to deliver in practice. That is the trouble.

Q62 **Ian Byrne:** I will direct this one to Nick first. The British Poultry Council said that British poultry and meat producers are facing insurmountable difficulties. The National Sheep Association said that the system of border controls is proving not to be fit for purpose. The British Meat Processors Association said that its members are indicating that the additional time taken end to end is at least 24 to 30 hours, which is a 100% increase on the norm before 31 December 2020. Which parts of the paperwork chain for meat exports to the EU are causing the most concern and why?

**Nick Allen:** It is the whole system. You cannot necessarily pick out one particular bit. It is the whole system. There are so many moving parts to this. If I were going to start with this and ask where the quick wins are, I would be starting with the export health certificates and trying to make that system better and more digitalised. You have fully qualified vets poring over paperwork, crossing out things on the paperwork, then having to stamp those crossings out, and then initial those stamps. Some of these export health certificates we are sending abroad have 70 adjustments to them. For goodness' sake, why can we not just print off an export health certificate that is relevant to that particular product?

These are fully qualified vets. That is creating a massive cost and an unnecessary bureaucracy to start with. It is then probably those mistakes along the way that you are getting picked up on. One of my starting points would be sorting this particular system out. In time, I hope we go back to basics. Do we really need a fully qualified vet, who has spent six or seven years learning his trade, to be poring over paperwork? It just seems a nonsense to me. This is an audit trail, not a need for a veterinary qualification.

**Charlie Dewhirst:** I agree with Nick on that. The export health certificate is the biggest problem and probably the easiest to digitise and modernise. Then, for us, consistency of paperwork processing at borders has been one of the big problems in the first two months so far. That has been a real issue, where people think they are on top of the paperwork, they are doing the right thing and they are arriving at a border post and having loads rejected for reasons that seem incorrect or spurious. That will be ironed out in time, but it is very frustrating.

**Dan Phipps:** I would just back that up. There is just a concern about how these official vets are being used and the cost of that over some



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work that could be done by others, then finally checked by a vet. Again, it is just trying to keep the costs down.

**Q63 Ian Byrne:** What quick fixes and long-term remedies should be prioritised? Obviously, this goes in the report so it is an important question.

**Nick Allen:** Certainly, we need to address these export health certificates. If there is one quick fix I would like sorted at the moment, it is for all the border control posts to be working off the same set of guidelines. We are getting this time and time again: that there seems to have been a disparity between what the border control posts are working to and the vets and inspectors in those places are getting, whether it is language or whatever.

I know our Government officials have been working hard on this, trying to do this, and there has been a meeting with the French and the Dutch this last week trying to sort this out. When you actually have these border control posts working to a different set of guidelines and they are in a fairly pedantic mood, life gets very difficult. After my desire to get the export health certificates sorted, as a quick fix getting everyone working to the same set of guidelines would be a really good start.

**Dan Phipps:** It goes back to what Neil says. We know that nothing has really changed. We have become a third country, but otherwise the lamb that is going this week is the same as what was going in December. One would hope that it should not be subject to the checks that it is. Maybe that just is pedantic, as Nick says.

**Ian Byrne:** Thank you.

**Chair:** Thanks, Ian. As concise as usual—well done. You are a lesson to us all. Talking of which, I am now going to bring in Geraint. Geraint, you know exactly what you have to do.

**Q64 Geraint Davies:** Thanks for that intro, Chair—that is very kind. I want to focus in on small business and whether you feel that exporting is as financially viable as it was. Is it financially viable at all? From what you have said, it sounds like it is, but can I turn to Nick first? Is it financially viable now for small businesses to export to the EU?

**Nick Allen:** No, it is the small businesses and the medium-sized businesses that are really struggling with this. The big players will find their way through this. As you touched on in the fish session, the problem comes back to groupage. Smaller businesses depend on groupage. You rely on the groupage for some of the smaller added value products as well. That bit of it is really difficult. For instance, if you have an exporter that has built up a business supplying butchers on the continent, he may be delivering 10 or 12 lambs a week to a butcher on the continent and doing several others; if that export health certificate costs £200 just for starters, you have put £10 on the price of those lambs. It is the small businesses that are really going to lose out here. I know we are not doing



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the dairy side today, but I would imagine some of the small cheese producers are really struggling with this.

- Q65 **Geraint Davies:** In other words, the future may be consolidations. Some businesses will go bust because of the overheads. They do not have the facilities to do the bureaucracy or pay for it. The response will be consolidation and merging into bigger businesses. Is that what you are saying?

**Nick Allen:** The bigger businesses, because they are almost international companies, can consolidate over here, and then simplify the loads that they are sending over and simplify the export health certification process. Then they can take them somewhere on the continent and redistribute from there. The big businesses will find a way to do that.

What you are doing with that is exporting jobs and exporting added value. You are moving it to the continent. Those businesses will find a way through it. The smaller businesses that cannot do that are the ones that are going to struggle. They will have to just look to the home market. That is really their only option.

- Q66 **Geraint Davies:** Is there a danger that, for example, small sheep farmers might be taken over by big international agrobusiness, for instance?

**Nick Allen:** It is not the farmer that exports, with the greatest respect to them. It is the processors that pull it all together and do the exporting. It is the small and medium-sized processors that are really finding this difficult at the moment.

- Q67 **Geraint Davies:** Charlie, what are the prospects for small business? Is it looking more difficult for them? Would what is happening in Northern Ireland in terms of trading support be welcomed support for those trading with the EU?

**Charlie Dewhirst:** It is a slightly different picture in the pig industry. Our farmers, big and small, tend to sell into slightly bigger processors. The issue is more the price depression as a result of the problems with exporting, which will then greatly impact those smaller farmers. There is a danger at the moment with everything that is going on. We know quite a reasonable percentage of pig farmers are thinking of leaving the industry. It has really got to that stage.

Looking at Northern Ireland, from the conversations we have had, they seem to be further ahead at looking at digital processes and modernisation of how we are going to move goods backwards and forwards over the Irish sea. It would seem sensible that once that can be done there, that could then be transposed on to the mainland border with Europe and we could see some improvement. Hopefully, we can blaze a trail through the protocol processes and improve what is going on elsewhere.



**Q68 Geraint Davies:** Dan, on the sheep front, is it a big problem for small farmers being able to overcome the problem of overheads, of bureaucracy and costs?

**Dan Phipps:** It is a problem for the sheep industry overall. We are reliant on getting 40% of our lambs off the home market. If we can continue to get those lambs into Europe, then there is not a problem for any farmer, if they can keep supplying the quantities that they are. Really it is just a matter of that quantity of lambs being able to move into Europe that is critical.

**Q69 Geraint Davies:** Nick, can I ask you about gene editing? There has been some talk about how we are now free to do gene editing. People have talking about the issue of lame chickens with osteoporosis giving rise to more eggs and more meat. Given the checks now at the borders from vets that you want to see taken away and the concern about food standards in the EU, is that something you think the industry would welcome, if, now we have Brexited, the UK Government go off and do a load of gene editing?

**Nick Allen:** The opportunities that gene editing brings are tremendous. That is a very exciting bit of technology. It is about how it is done and whether it is done properly. Before we start going and introducing things in this country and doing our own thing, there is a fundamental piece of the jigsaw we have to put in place—that is a food authority that oversees these things. I am a bit mystified at the moment as to what is going to happen and who is going to take on the role of the European Food Safety Authority. It is not an agency; it is an authority that oversees these things.

Before we start to do all these things, we need to set ourselves up with a world-class food authority that oversees these things. Then when we are trading with other countries, we have the science and the backing to justify what we do, what we do not do, what we decide to let in and what we decide to keep out. That fundamental piece at the moment is missing in the grand plan of things. Gene editing offers some great opportunities, but let us make sure that we can defend it and justify it.

**Q70 Geraint Davies:** Charlie, in a nutshell, do you agree that we need a food authority to do the heavy lifting on looking at the agricultural science and perhaps co-operate with the EU to negotiate continuing trade?

**Charlie Dewhurst:** We should look at gene editing as a great opportunity, because of the improvements in welfare that could bring for our livestock. It is a really exciting prospect. One thing that would worry me, before we start talking about our relationship with the EU about gene editing, is whether we are all joined up with our devolved partners in how that is going to operate. Clearly, there could be some challenges about whether we can all come to an agreement on that.

**Q71 Geraint Davies:** They will not want gene editing between Wales and



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England on the rugby field, certainly. Dan, on the sheep side, do you have a view particularly about gene editing and whether there are any risks or opportunities?

**Dan Phipps:** The only thing I would say is we can see huge potential in it on the welfare side of things. Our one concern would be that this is an opportunity the UK is now picking up post Brexit, coming away from Europe. Of course, in Europe they are quite anti the concept. It might cause problems for us trying to then market sheep if they felt something was happening that they did not approve of.

Q72 **Chair:** Just before we leave this question, Mary Quicke is a cheese exporter from around Exeter, who exports not only to the EU but to America as well. She is finding a problem that there are different interpretations at different ports. For instance, in Dunkirk they will interpret it in one way, in Calais another and in Rotterdam another way. Are you finding that? Nick, you talked about the dairy side of it, so I would just ask you.

**Nick Allen:** I go back to what I said earlier about one of the quick fixes. This is one of the things that really needs sorting out as quickly as possible. Sometimes within a border control post it alters depending on who is on duty that day. You can get someone interpreting it one way in the morning and someone interpreting it completely differently in the afternoon. Sometimes even within the border control posts, we are not getting consistency. I know the Government officials have been trying hard and having conferences with the French and the Dutch in particular to try to get this right, but the lack of consistency among the border control posts is one of the biggest problems at the moment.

**Chair:** Thank you very much. It is good to have that on record, because it is something that we can drill down on in our report.

Q73 **Dr Hudson:** First, can I thank Nick, Charlie and Dan for being before us today? Also I would declare an interest: I am a veterinary surgeon myself, so I am going to be probing a little bit more on the veterinary aspects. Before I start, I wanted to refer back to Charlie's comments about the movement of breeding pigs across borders. To Charlie, Nick and Dan, you will be aware of the EFRA Committee's other inquiry that is live at the moment on the movement of animals across borders. We would just encourage you and your membership to contribute to that inquiry. Some of the issues you have raised already, Dan, about the movement of breeding animals are very pertinent to that review.

As you have touched on, we know meat exporters require export health certificates to be signed and stamped by an official veterinarian to transport live animals, products of animal origin or germplasm from GB to the EU. You have answered this initially in terms of some comments about the need for vets to do this. Really what I wanted to get from you is whether you feel, with the system as it is, that there have been sufficient vets available in order to carry out that paperwork and those checks and to complete the export health certificates? Have there been



sufficient OVs there to do that?

**Nick Allen:** One of our concerns in the autumn was about whether there were going to be enough vets around to sign all these documents; as an organisation we were quite vociferous about this. Some of our members have started to say, just in the last few weeks, that they are struggling to find people.

That said, if we go back to the basics of the Government's original estimate on this, they anticipated that we would need 300,000 health certificates per annum to be issued. That was their modelling. We disagreed with that and felt it was going to be more. To date, from the last figures I had, APHA is issuing 400 a day. That suggests that actually we would be doing about 150,000 a year. That is about half the number of health certificates that everyone was expecting to be issued. You have to question what is going on here.

I come back to this groupage issue. People have abandoned trying to do groupage. Each little consignment in groupage needed an export health certificate and people have just given up on it. Some haulage firms have just walked away from it in the first week, because it was just too complicated for them, so they have walked away from it. It is a funny balance at the moment. Are there enough vets around? Yes, if we are going to take this hit on all these exports then possibly there are. At the moment, we are way below even the Government's estimates of it.

That said, I am still getting members saying to me that they are very concerned and are struggling to find vets to sign certificates in particular areas. You are a vet yourself, so you might be able to answer this. How appealing is it to you to spend your life filling in paperwork? Some of these export health certificates are taking vets up to two hours to pore over and do. Is that really what anyone wants to do? I can see a problem going forward: we might have enough people trained up to do it at the moment, but they will soon lose interest in doing this, because it has to be a pretty mundane and boring job.

**Charlie Dewhirst:** As Nick says, it has not been a capacity problem up to this point. It is not so much the shortage of vets. It is the time it has taken the vets, in many cases, to complete the certificates. That is getting better but even now, speaking to one of our members, it is an average of one and a half hours per load to do the export health certificate. He regards that vet as extremely competent in what they are doing. That is a cost, because those vets deserve to be paid for their time. It is a problem. As we have said throughout, there must be a better way.

**Dan Phipps:** That has covered it entirely. It is that the cost issue of a vet can be covered in a cheaper way.

Q74 **Dr Hudson:** Thank you; that is very helpful. At the moment, you feel that the capacity is there; it is taking some time. We have quizzed some



Ministers in separate sessions about this, about whether there would be the capacity when we moved into the transitional period and beyond. The Committee has been reassured; they have told us that the capacity is there, so it is very useful to hear of the frontline view—that they have increased the number of OVAs, potentially.

I would just like to probe you a bit further. They have also increased and developed the role of the certification support officers, who are there to support the vets, so perhaps to do some more of the preliminary checks and paperwork that then the official veterinarian can come in and finish off. Have you got any thoughts about the role of the certification support officers? Has that been working?

**Nick Allen:** It is too early days. A lot of my members are saying, “We have not really got going yet with exporting.” We surveyed our members just recently, and not one of them has said they are up to where they were pre-Brexit and what they expect to be or hope to be. We have not really tested the system yet.

To pick up your question about the CSOs, there is quite a bit of confusion about that. It is a new job; everyone is trying to learn the ways and the responsibilities. It is a new thing that has been thrown into the system, so it is too early yet to know how they are working. Also, they were short on how many they had recruited as we went into Brexit anyway. It is really early days to see how that system is working. I do stress that a lot of my members are saying, “We have not really turned on the taps yet and are not going for it as we would like to. We have been holding back and learning our way through this exporting business”. There is more to come yet.

Q75 **Dr Hudson:** Things have been slowed down. Could I ask all of you for your perspective about GB-Northern Ireland, in terms of the movement, the veterinary roles and the certification support officers there?

**Nick Allen:** It has added to the pressure, because you need the support health attestations, which is like an export health certificate but it is not. That has to be signed by the vets on a daily basis. That is added pressure on the veterinary side. Northern Ireland is looking very complicated. I understand there are going to be some announcements or may even have been some announcements this afternoon about it, to ease the problems over there. It has added to the stress of the whole system.

Q76 **Dr Hudson:** Are there any more comments about the certification support officers, or is it too early days for you?

**Charlie Dewhurst:** It is early days, and I could not really offer any further insight.

**Dan Phipps:** The only thing I would add to that is it is an ideal time, as Nick says, because it is not busy at the moment. This is our opportunity to get these people trained and up to speed, so that when, hopefully, we



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can get more export up and running again, we have put that training in place in this quiet time.

- Q77 Dr Hudson:** Thank you; that is really helpful. In terms of veterinary capacity, we have quizzed Ministers, the veterinary authorities and the veterinary associations on this. There are longer-term calls as well to increase veterinary capacity across the UK, but also increase the numbers of vets who are going into different sectors, whether it is into meat inspection or border checks and that side of things. That is a longer-term goal that vet schools, the Government and Defra need to work together on.

**Nick Allen:** I feel at times as though we are living in a bit of a madhouse here.

**Chair:** It is only now you believe we live in a madhouse. We have been there for a long time, Nick.

**Nick Allen:** We have a situation here. If you want to export or someone is exporting pizzas, they need to have a fully qualified vet sign an export health certificate. Somehow, when we hear this, everyone runs around and says, "We need more vets". You think, "No, hang on. Think about how stupid this is. Do you really need a fully qualified vet to sign an export health certificate to export pizzas?"

- Q78 Chair:** You raise a really good point, Nick. That was a point I was actually going to make to Neil's point. We do need more trained vets but also, all the time we were in the EU, we were always told meat inspectors had to be vets. You can train meat inspectors, not just for health certificates but in slaughterhouses and others trained up, and then call in a vet if needed. There is real time now, when the dust starts to settle, to really look at this once and for all and try to sort it. At the moment, it is very complex, I accept.

Just before we leave this one, going back partly to the last question, Neil asked a question about Northern Ireland. Exporters are getting a certain amount of extra help with exports to Northern Ireland, are they not? Is this help useful? Could you have the same sort of help if you were going to Europe? What is your view on that, Nick?

**Nick Allen:** Government have been picking up the cost of export health certificates going into Northern Ireland. I mentioned support health attestations earlier on. That has to be signed by the vet and signed off by the vet. It would have been nice if they had been picked up. They have made some moves today on some of the organic certification but they have not picked up all the costs, so it is helpful.

Some of our competitors, some other countries that we are competing with, do stand the cost of all this export health certification. It has been interesting. There is a difference. We talked about devolution earlier on. There has been a difference between the food standards of Scotland and



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how supportive they have been with export health certificates, and the situation in England with the Food Standards Agency.

Q79 **Chair:** I am sorry to interrupt you. They have been giving some direct support in Scotland, have they?

**Nick Allen:** Yes, they have.

**Chair:** That is useful evidence, to be honest with you, that we can look at. Thank you for that.

**Dr Hudson:** Just as a final comment, there will be a wider debate about some of the paperwork side of things, the role of vets and support officers as well. Equally so, I will defend the veterinary profession in terms of what they are doing in many of these places, in border checks but also in the meat inspection side of things, the ante-mortem checks, the health status of live animals, the welfare implications, picking up epidemiological issues and health and welfare issues. We should not underestimate the importance of the veterinary surgeon in this, but there is a wider debate as to how they can be deployed in a more targeted fashion.

**Chair:** Do not worry, Neil; I am not about to make all vets redundant. Have no fear of that. They could just be deployed, using your expertise and your training, in a much better way. We can cover a lot of the new paperwork without you having to cross out loads of things on forms; it does not really seem necessary. We will work on that, but we are not about to make all vets redundant. Have no fear.

Q80 **Robbie Moore:** Thank you to the three of you for joining us this afternoon. My question is just around the general topic of Government guidance and communications. It might just expand on some of the things you have already said. During 2020, did Government communications do enough to highlight that significant non-tariff barriers would take effect after the transition period ended?

**Charlie Dewhirst:** That is a good question. Obviously, we were aware of certain barriers and certain processes we would have to undertake. There was a lot of work done by Defra and other Departments to educate the industry about that. The difficulty was that absolute clarity was not given until Christmas. Even then, there was some interpretation to be done and some things that came out of the trade deal that were slightly unexpected. In our case, there was trichinella, which was not necessarily an issue with the wording of the deal but some confusion that has occurred within Brussels.

A lot of work went into doing what we could with the known knowns, without wanting to go too Donald Rumsfeld. There was an awful lot we could not quite cover off until the very last minute. Therefore, there have been additional non-tariff barriers. Some of those are exacerbated as part of the teething problems. They have become more expensive. Because we are dealing with those problems, hopefully we can reduce those costs in time, and we can reduce the time it takes to move goods across the



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borders. That should help. We were all expecting a lot of what we are facing and were ready for it.

I spoke to one member last week who said, "If you had asked me in November, I would have felt fairly well prepared, but there were things that came out of the blue". In his example, it was being stopped at a German border control post every time he gets there and being charged 7% VAT. He can eventually claim that back, but it is an added thing to time and an immediate cost. That is the picture from the pig industry.

**Dan Phipps:** I am pretty much going to echo Charlie's thoughts. We were obviously very pleased when we got the deal, but it gave us a very short amount of time to pull everything together. Ultimately, like Charlie says, it seemed to be lorries that went that found out the problems and how to correct things thereafter, rather than going prepared with the right information and knowledge on how to get through without problems.

**Nick Allen:** There was a lot of effort put in in the autumn to try to communicate to everyone what was going to happen. No one, including in Government, really realised what a monster this would look like until it was all put together.

One of the points we were making in the autumn was that this was a system that was not stress-tested. We leapt into it on 31 December. We always knew there were going to be problems. Some things have come along that just were not anticipated. We as an organisation hired some private consultants to do webinars with our members, as well as tapping into the Government ones. It is quite disjointed. Each Government Department was doing its bit of it and its webinar. It is only when you pull the whole thing together that you realise what a monster this is.

One of the things no one had really expected was the use of agents in border controls posts. Certainly in France now, they are insisting that there is a customs agent there working on your behalf virtually the whole time. They have to be there virtually 24/7 because it is a 24/7 trade. No one really understood that was going to happen. You knew you had to have an agent in France. You did not know you had to have one virtually on tap 24/7. There is a cost that comes with that as well, which people had not anticipated. When it all came together, it was a much bigger monster than everyone realised.

Q81 **Robbie Moore:** All three of you there have touched on time of the Government communications coming out, and the speed at which that guidance was delivered. Can I just ask all three of you very quickly for your thoughts on Government guidance and information on paperwork requirements? Do you feel that when we got closer towards the end of the year, 31 December, that guidance was updated and given out as quickly as it could have been given the circumstances? Was there still frustration associated?



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**Nick Allen:** For my part, there were some frustrations here. It was coming late and it was very often changing. Communication and training to the vets who were doing this and signing this paperwork was not as good as it could have been. As well as seeing different interpretations of border control posts, we have seen different vets interpreting the guidelines completely differently. We are fielding calls from members all over the country. It is astonishing the difference in questions we get and the challenges we get. A lot of it was because it was all done so late in the day, and things were tied together so late in the day.

The training and the guidance to the vets could have been a lot better because, at the end of the day, the vets are the competent authority, and they are sending messages to the other competent authority. It sits with them. If you do not get that bit right, then you have a problem. That could have been better, but a lot of that was down to timing. I would not want to criticise the civil service for want of trying here. I have not mentioned it before, but, in terms of the support we have had in these first couple of months from them, from people like Christine Middlemiss, the chief vet, she has virtually been available 24/7, because that is what this trade is going on. In case I forget, I would make that shout-out to them. They have been incredibly supportive through quite a difficult period.

**Charlie Dewhirst:** I reiterate those words. Officials have been working incredibly hard to help exporters deal with these problems. The issue you are looking at is the sheer volume of information that needed to be shared in a very short timeframe, which made it such a challenge. Then you combine that with the way it was interpreted at border posts. Some of those things were simply that we could not predict that Rotterdam wanted it in red pen and Calais wanted it in blue pen. If it was wrong, it was going back. Those are extreme examples, but that was the sort of thing they were facing. It was a big challenge for officials to have absolutely got right. I do appreciate the efforts they went to.

Q82 **Robbie Moore:** I have one further supplementary but, before I come to that, Dan, do you have any comments to do with timings?

**Dan Phipps:** No, I cannot really add to that, other than just to say that these people on the frontline with it are as busy in the lambing shed, but it is nice to hear the effort and the work put in to try and keep it going, because we did not learn until it happened, ultimately.

Q83 **Robbie Moore:** Beyond 1 January, how do you feel Government has responded to some of the practical issues that have been raised since 1 January? Do you feel that the response has been proactive and efficient?

**Charlie Dewhirst:** Yes, absolutely. It feels like 24/7 support. They have done as best they can. There have been some insurmountable problems, which we are still dealing with, but I could not criticise the way in which they have tried to support our members.



**Nick Allen:** I would echo that. I touched on it before. They have been really good. You can question why we are in this predicament, but I could not fault the efforts they have made right the way through. The civil service tried to support members and help us out, sometimes, in fairness, with mistakes that our people have made, which were not even their problems. They still stepped in and helped. The support from that point on has been great.

When guidelines change, that communication down to the vets could be better and that is an issue with the system we have around the Food Standards Agency and the way that works. It is not great in terms of how that communication goes down through the communication channels.

Q84 **Robbie Moore:** Dan, I do not know if you have any final comments that you want to make on that.

**Dan Phipps:** No, I have not, to be honest. I would probably just support the other two witnesses in what they have said.

**Chair:** Nick, you make an interesting point there about the Food Standards Agency joining up with what Defra is doing. Again, if you have any more detail about that, let us have it in writing. I am going to say, at the end, that I want from all of you any practical solutions you have for joining things up better. It is not a perfect world out there; it is not going to be for a while, but we can make it better. This is the whole idea of this inquiry: to try to join the wires together better than they are at the moment. We appreciate your points.

The point you make about Christine Middlemiss, the chief vet, and about Defra in general is good to record, because Defra very often get it in the neck when things do not go right. Politics of Europe always was a last-minute job and always will be. In the end, the trouble is that you guys, those exporters and Defra must sort the mess out afterwards.

Gentlemen, thank you very much. The whole idea of this inquiry is not just to punish Government, but to actually say, "The deal is there. Let us try to join it up better. Where do you need support? Where do you need help? Do we need to actually put some money into helping exporters in X, Y and Z?" There are all of these asks that you want. Perhaps some of them are quite small; some of them might be quite large, but still make them, because the whole idea of our report is to scrutinise what is happening and hopefully, in the end, give some ideas to Government to make it better. Thank you very much. It has been a great session.

Can I thank both Tim and Ian from the Select Committee for hanging on? Can I also thank the services within Parliament, because we have gone on probably a good hour more than they were expecting? I appreciate the fact that they have given us extra time. Thank you for waiting, Nick, Charlie and Dan, because your evidence was well worth waiting for and well received. Please do not hesitate, even now, to put any little points you have that you want to be added in. Let us know, because when we put the report together, and when we question the Secretary of State



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when he comes later this month, we will be able to put them to him. Thank you all very much. Thank you to the Committee for being so long-suffering. Thank you very much for all your contributions.