

Environment, Food and Rural Affairs Committee

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

Thursday 25 March 2021

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

Questions 133 - 215

Witnesses

I: Rt Hon George Eustice MP, Secretary of State, Defra; Ian Hewett, Operations Director, Animal and Plant Health Agency; David Kennedy, Director-General, Farming and Biosecurity, Defra.

Written evidence from witnesses:

- [Department for Environment, Food and Rural Affairs](#)



Examination of witnesses

Witnesses: George Eustice, Ian Hewett and David Kennedy.

Q133 **Chair:** Welcome, everybody, to the EFRA Select Committee. This afternoon we have the Secretary of State with us to discuss seafood and meat exports. Secretary of State, would you like to introduce yourself for the record, and then David and Ian, please? Then we will start the questioning. Good afternoon and welcome to the Committee.

George Eustice: Good afternoon. I am George Eustice and I am the Secretary of State at Defra.

David Kennedy: I am David Kennedy. I am director-general of food, farming and biosecurity at Defra.

Ian Hewett: I am Ian Hewett, service delivery director at the Animal and Plant Health Agency.

Q134 **Chair:** Thank you very much, gentlemen, for joining us this afternoon. I am going to start off with the first question. Will seafood and meat exports to the EU return to pre-1 January levels during 2021? Secretary of State, we will throw that ball straight to you.

George Eustice: It is difficult to predict exactly what will happen, but we do know—this was shown in both the trade figures and lorry flows—that in January, particularly the early part of January, there were very low levels of lorries crossing in both directions. That was partly down to stockpiling that had occurred prior to the end of the transition period, where businesses were taking the precaution of building up stocks, but it is also the case that some people were cautious about entering the market during January.

The levels of lorries crossing started to move upwards from the second week of January and by the end of January around 7,500 lorries per day were making the journey. We know from February—although obviously we do not have the trade figures yet—that overall lorry movements in both directions are a couple of percentage points up on the same point last year. The indications are that trade flows have returned to a closer-to-normal position, but we do not know for sure how many of those lorries might be travelling empty in one direction. Therefore, it is difficult to predict exactly what the trade figures for February will be.

Q135 **Chair:** We have taken evidence from trade associations and others. They have said that getting back to 90% of our previous trade sounds okay, but losing 10% of our trade would be a disaster, basically. This is overall. I know it is difficult to judge things with Covid, all the glitches we have had and all the form filling. We will talk more about that in a minute, but where are we overall? There is an argument that the lorry movements might be up sometimes, but there is not necessarily a lot in the lorries. To what extent do you have information on that? How worried or otherwise are you?



George Eustice: We do not know for certain. We think there is an increase in the number of lorries returning empty, but we only have anecdotal evidence of that. We do not have full data on that. It is very difficult to see how that would translate into trade flows until we get the trade flow figures and statistics, which are due out in a couple of weeks. As I said, we know that, overall, lorry movements have returned to what we would expect for the month of February.

In the context of fisheries, the hauliers log when they get a Kent access permit to go through the short straits. They log if they are carrying fish. We know that, in the latter part of each week, that is now running at around 60 lorries per day exporting fish. That is returning quite close to what we used to envisage as being normal levels. Our estimates prior to the end of the transition period were that there were probably between 60 and 70 lorries per day, on average, making the journey. It is important to note that, earlier in the week, volumes tend to be a bit lower, so it ranges from usually around 40 lorries per day in the early part of the week, rising to 60 lorries per day by the end of the week. It is getting back closer to where we would normally be.

Of course, in the background we also have the coronavirus pandemic and the lockdowns in the EU. The EU market is also very weak at the moment because of the closure of the restaurant and service trade.

David Kennedy: From the HMRC data, we know that exports were around 40% of normal levels in January. From our export health certificate data for dairy and meat products in particular, we know those have doubled since January. If we double that 40%, it becomes 80%.

Then you can ask, "What about the other 20%? Can we get that back?" There are a number of things we can do. A really big factor here is Covid and the lockdowns on the continent. Hospitality demand is significant. We expect that, over time, that will come back and push up the figures. There is groupage, and groupage to the continent is very difficult. We will come on to this, but we are working on solutions that will bring back groupage. There are composite products. Again, we ship some composite products to the continent. Those are really difficult at the moment. We are working on solutions to simplify the process for composite products.

There are some things that it does not make sense to export any more, for example small parcels of cheese. It is not worth getting an export health certificate. We could be at 80% now. Let us see when we get the next set of trade data. There are a number of ways we can boost that, as I have just listed.

Q136 **Chair:** David, you have pre-empted my next question to you. You say some small amounts of cheese may not be worth exporting. There is extra cost, is there not? These are the non-tariff barriers. How much are the Government, Defra or the Border Force looking into what the extra costs now are? If you are putting out a small consignment, you will just give up and think that it is not worth it. The bigger companies will be spending a lot more money. It is going to make us much less competitive



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with the continent if we are not careful. The continent is quite pleased to make that happen, by creating barriers for us that add to our costs, while we are just waving all its lorries back through. We will talk about that in a minute.

Seriously, what data are you collecting as to what these extra costs are to these companies? I know you have done some with the fishing industry, but are you doing it across the board? What are the figures?

George Eustice: The principal cost for the fishing sector or, indeed, the meat processing sector is the cost of getting the export health certificate, where either a vet or a local EHO needs to sign that off. It varies depending on the consignment, but it typically takes half an hour to two hours, depending on whether it is a very small or a large, complex consignment. We know that charge rates, for instance, from Food Standards Scotland in those hubs are around £40 an hour. The cost of getting the export health certificate ranges from, in some parts of the country like Cornwall, where the local authority is still part-subsidising it, £20 or £30 per certificate, to £80 or more per certificate on more complex loads.

People face a range of charges for the import checks, the physical checks at the other end. It is very hard to say precisely what those are, because there is quite a range depending on the product and the nature of the check. The third key area of cost is the cost of the import agent to deal with the customs declaration. Again, that can vary quite a bit.

Q137 **Chair:** What about the cost to the companies themselves for the time and effort it is taking? That almost seems to be ignored. Surely this is significant for some of them. If you are a small operator, surely you will give up, will you not?

George Eustice: Yes, if you have to do an export health certificate and a customs declaration, which is the case when you become an independent country, there are undoubtedly costs and administration involved with that. There will also be costs to businesses if there are some delays, as there have been, at the border. It now takes typically between one and two hours to get through a border control post on the other side. That adds to your lorry driver's hours and time.

We have had ranges expressed to us by industry, having had this bed down. Some have said that their freight costs have increased by 5% to 7%, but we have had other estimates from people who suggest it might have increased their freight costs by about 15%. It is in that range, and it will depend on the complexity and the nature of the consignment.

You are also right in saying that the cost of having to do an export health certificate means that really small consignments that somebody might have sent directly to a single restaurant or a single retailer will not be viable, in some cases, under this model. The model of selling directly to small retailers was facilitated by the single market. In the future, probably what you will see with some of those small consignments, like artisan cheeses, for instance, is that they will consolidate around an



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export agent or a distributor. Larger consignments will be sent to make the administration worthwhile, and then they will be redistributed within the EU single market.

Chair: Hopefully, the cost of that will drop once the system to starts to be in place. I accept that it is going to be more expensive to start with, but there is a real competitive issue here that we need to deal with.

Q138 **Geraint Davies:** Secretary of State, you will agree that, in the first part of this year, this transition has been a bit of a disaster for the fishing industry and our controls are being delayed. In light of that, should the Government have delayed the transition period, as was proposed by the Welsh and Scottish First Ministers in June and September last year? Because the pandemic stopped us preparing quickly enough and we did not conclude our negotiations effectively enough, we were up against the wall. If we had had a delay in our negotiations, would we not have been able to manage this more effectively?

George Eustice: I do not really agree with you. In this story of trying to leave the European Union, one of the lessons has been that relentless delays do not necessarily make it any easier. You need to focus on a clear endpoint, which is what we chose to do. We were clear all along that whether or not there was an agreement, irrespective of whether there was a trade agreement with the EU, we were leaving the single market and we were leaving the customs union. That had been settled during the 2019 general election.

It meant there would be a need for administration; there would be a need for export health certificates, catch certificates and customs declarations. We all knew the key things that businesses needed to prepare for a good year in advance, and we did a lot of work with industry to get prepared for that.

Geraint Davies: You are delaying our own import controls from April to October.

Chair: We are going to talk about that later.

Q139 **Geraint Davies:** I just wanted to ask this now, because it is to do with timing. We are going to have this delay now. Clearly, if we had had a bit more time, we might not be delaying now. That is my point.

George Eustice: We are not delaying. We were ready to put in place the documentary checks we intended from 1 April. The anxiety was that there might not be sufficient veterinary capacity in the EU and that EU businesses might not be prepared. We have taken a decision to make a modest change and move that back slightly, to ensure that, as we come out of lockdown and try to get back on our feet after this pandemic, we are not causing unnecessary friction at the border. That is the rationale for the decision we have taken there. It is not really about a lack of preparedness; it is just a pragmatic decision as we try to come out of the coronavirus pandemic.



Q140 **Geraint Davies:** In terms of the Chair's question about volumes, do you think we will ever resume the export volumes we enjoyed in 2019? Is it not the case that, because we have non-tariff barriers, you can get more for a fish if you land it in France than if you land it in Britain and then export it?

George Eustice: Yes, but we are also consulting on changing the economic link requirements, for instance, on all fishing vessels, including those that are foreign-owned. That would require vessels to land a larger percentage of their catch in the UK. It may well be the case that we end up with more fish landed in the UK and processed here. If the EU wants fish, it will have to come to the UK to get it, because its ability to land the volume of fish that it can at the moment directly into EU ports might decline.

Q141 **Geraint Davies:** In terms of predicting the volume of fish, what percentage of the 2019 levels will we be hitting at the end of this year compared to the same time that year? I know you said this is relative to what you were projecting and all this stuff, but I mean in terms of the actual volume in the fishing industry. How much are we going to be down at the end of this year? Are we going to be the same?

George Eustice: As I said earlier, it is very hard to predict perfectly. The calculation that David Kennedy provided a little earlier suggests that we might already be back up to 80%. If the EU market recovers, we might see it go higher again, back closer to normal levels. The other point I would make, though—you may want to come on to this later—is that, because the EU has changed its policy stance on live bivalve molluscs in particular, there are particular pockets where there will be challenges.

Overall, there probably will be a different story for different sectors. The salmon sector is very large and organised, and sends large consignments in articulated lorries. The pelagic sector predominantly exports frozen mackerel and herring, which is often then redistributed around the world from Rotterdam. Those sectors will probably be largely unaffected and will cope with these new processes without too much difficulty.

If you go to the other end of the spectrum, we have a real problem with live bivalve molluscs, for the reasons people know, and probably some other shellfish, where it is a bit more perishable and the trade tends to be built around smaller consignments to small customers. They may also find it a little harder to return to their normal volumes.

Q142 **Geraint Davies:** In a nutshell, how much smaller will the overall industry be next year than it was in 2019? I know the previous comparisons about the 80% were on 2020, which was obviously a Covid year, so that was very unusual. If you look at the normal state of industry volumes—the EU is obviously the biggest market for the UK—and you compare 2019 with next year, for argument's sake, how would that compare, broadly? Is it 5% down? Is it just shellfish? Is there going to be a major impact on fish?

George Eustice: I am going to be very honest: it is too difficult to predict at the moment, because there are so many moving parts,



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including the coronavirus, and the fact that the EU has had to forfeit some of its quota and we now have larger quotas. We are consulting on requiring more vessels to land a larger proportion of their catch here. There are a range of factors that could affect that final figure. As I said, it will be easier for some sectors, such as the pelagic sector and the salmon aquaculture sector, than for some of those in the shellfish sector to get back to where they might have been in 2019.

Q143 Dave Doogan: If I understand the Secretary of State correctly, he definitely said we are moving closer to normal in terms of exports. The Secretary of State and his officials are indicating that they believe the drop of 40% is halved to 20%. That is across overall exports, and of course we are concerned with meat and fish food exports. It is important for us to understand, and I hope the Secretary of State can tell us, whether, if the drop in exports has halved, as he is suggesting, that is also reflected in the £750 million drop in food exports compared with January 2020. That figure is according to the Food and Drink Federation.

Even underneath that level of data, what is the Secretary of State's officials' understanding around beef, which fell 91.5% in January; salmon exports, which were down from £27.7 million to just £500,000; or whisky, which suffered a 63% drop? What analysis is Defra undertaking to understand what recovery is being felt in these particular sectors?

George Eustice: I might ask David Kennedy to come in, but the answer is that the export figures for January that were published indeed reflect what I outlined about the position we saw in January in terms of overall freight flows in both directions. It is consistent with that.

As David Kennedy said, we know that the number of export health certificates we are issuing for fisheries is roughly double for the month of February than it was for January. We do not know exactly what volume that might be—it might be double the number but smaller consignments on average; it is difficult to predict what that total will be—it nevertheless indicates that the month of February is probably going to be a significant improvement and significant return to something closer to normal than the month of January was.

David Kennedy: Just to repeat, we think we are about 20% down post January on the previous year. We know that the number of export health certificates being signed has doubled in February relative to January, and they have held up at those February levels now.

In terms of what we track, we look at export health certificates to different destinations, for example continental Europe, Republic of Ireland and Northern Ireland. We break it down into fish and non-fish. Within non-fish, we break that down into, for example, red meat and dairy. We do very close monitoring of what is happening via the export health certificates and we are very close to the industry.

We have our Food Resilience Industry Forum and the groups that sit under that. We are in constant contact with the industry. Things are picking up. The barriers, as we have said, are falling over time. As the



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Chair said, people get used to it; vets get used to, in particular, issuing the export health certificates. What is coming up now is not the fundamental questions we were seeing in January; it is the minutiae. The stuff that is turning up at the border in France pretty much has the correct paperwork; 90% now has the correct paperwork. The rest does not get stopped and turned back; it takes a little longer to get through.

It is a learning process. Let us give you one more example. If you think about a truckload of lamb going into France, that is relatively easy to sign an export health certificate for. It is not expensive, so we would not expect disruption of trade there. If you think about a small pallet of pizzas, composite products that take a little longer, the economics of that are more significantly changed. It is very specific to the product. It is not the basic stuff that is difficult to export; it is the smaller stuff, the composites and the more complex products. We are working to get solutions there. We hope that, over time, we can bounce back across the piece on these different things. How long will that take? We are working actively on it.

Q144 **Rosie Duffield:** Secretary of State, the Shellfish Association of Great Britain told us that Defra has shown “a lack of understanding of both industry practices and relevant legislation” that “led directly to the current situation where industry cannot trade”. Why did Defra not engage better with the shellfish industry prior to 1 January?

Before you answer, Secretary of State, I would just like to read a quote from James Green, director of the Whitstable Oyster Company in my constituency, who is in regular contact with me. He says, “I cannot stress enough that this put ourselves and others in the industry in a highly perilous situation and that the town’s fortunes are built and always have been upon the availability of local oysters. There seems to be an inability at Defra to grasp the seriousness of the situation facing us. As time goes on and no solution is found, nor any substantial financial aid offered, there is an increasing likelihood that these businesses, including ours, will fail. We directly employ 12 full-time employees in this company and many others are dependent on the continued production of Whitstable oysters”. They are clearly worried that their businesses will not sustain this.

George Eustice: As I said earlier, there is a particular challenge around live bivalve molluscs, where the EU has changed its policy and recently just changed its export health certificates to reaffirm that. That has basically placed a ban on a trade that it had previously said could continue. That is deeply frustrating, but it is not the case that we did not understand the law. We do understand the law; we were an EU member for nearly half a century. We have huge technical expertise in this area.

The reality is that the EU made clear that it wanted to change its law, and it has now done it, but it only announced that on 3 February. In September 2019, there was a dialogue and an exchange of letters between our Chief Veterinary Officer and the Commission services where they said that the trade in bivalve molluscs from aquaculture could



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continue from the end of the transition period. They pointed us to a specific export health certificate called the model animal health certificate for imports of aquaculture animals for relaying to fisheries. They said that could be used for bivalve molluscs that were being sold for depuration.

We always understood that there would be an air gap for wild-caught bivalve molluscs, which would be things like cockles but also some oysters as well. The EU published a draft export health certificate in August that made clear that, when that one came in from 21 April this year, it would cover both farmed and wild-caught bivalve molluscs for depuration. Again, it was very clear that this was the sale of animal products not for human consumption but for further depuration. It was only on 3 February that it changed its position.

We find that deeply frustrating, but in many ways there is not a lot we can do about that, if the EU is determined to change its law and prevent a trade that even restaurants in France are keen to see continue. We have had some conversations with MEPs in the European Union about this. We have mentioned it to other member states. They have an interest in seeing this trade continue. There is a model that has been built around depuration taking place onsite on the continent. Most people want that to continue, but at the moment the view the European Commission has taken is what it is, even though it was not necessary and was not a correct interpretation of its own law.

We have done a number of things so far. We have opened a support scheme to help these businesses in the farmed aquaculture sector with their fixed costs in the short term, and we are processing those applications now. We are also giving consideration to how we might support them in the medium term, for instance by helping them invest in depuration equipment, or indeed other processing equipment, and assisting them in finding alternative markets, if it remains the case that the EU intends to ban this trade altogether.

Q145 Rosie Duffield: As you have made clear that Defra thought the EU position and interpretation of that law was wrong, is Defra prepared to print and publish its interpretation so the industry can see how you arrived at that view?

George Eustice: Yes, we have already done that. There was an Urgent Question in Parliament in the third week of January and another one in February where this issue was discussed. Following that, I gave an undertaking to lodge the relevant documents in the House of Commons Library, and that was done during February. We have published that information.

I should point out that the fact that the European Union has now changed its rules is somewhat an admission that its own interpretation of its rules was wrong, but in some ways, as I said, it is largely academic, if it intends to make this policy change nonetheless.

Q146 Chair: Secretary of State, it looks to me like the EU basically misled you. You thought shellfish were going to be able to be exported. To compound



their felony, they have now issued new certificates reinforcing this matter. Why are we not challenging this? Why are we rolling over? They are trading with us; we are trading with them. Surely the whole idea of this agreement was being able to challenge some things. As far as I can see, we are going to ruin the shellfish industry, and it is the EU that is doing it. Yes, I have sympathy with you, Secretary of State, but what are you doing about it? Are you just rolling over and letting them tickle your tummy? Are you going to do something about it?

George Eustice: I suppose the best-placed people to get the European Commission to alter its stance are the remaining EU member states that would like to see this trade continue. Of course, the European Commission famously does not always move or react to democratic representations even from its own member states, let alone those from an independent country like the UK.

From where we are now, we have to accept that they have taken a policy stance. Of course, we continue to make the case that we think it is unnecessary. It is an indefensible position on both animal health and public health grounds. We stand ready with them to discuss what the design of an export health certificate might be, if they want a different design of one. If they maintain the position that they just want the abolition of the trade altogether and that is their policy, our ability to change that position is quite limited, I am afraid.

We hope they will change their minds. As we said, there is no technical justification for the stance they have taken, but we cannot force them to do something they do not want to do, either.

Q147 **Chair:** I was led to believe that there were arbitration methods within the agreement and things. You cannot actually cite this and use them, can you? It is probably a long process anyway. By such time our shellfish industry will be out of business, if we are not careful. It is a serious question. If you are a small, medium-sized or even a large shellfish business and you are being put out of business, it is a really serious matter. We do need something done about it, basically.

George Eustice: Yes. As I said, the options are to continue to make representations through other member states that want the trade to continue, to assist in persuading the European Commission to take a different approach. As I said, there is no technical justification for it. If that cannot be made to work and the EU will not change its position, we will work with the shellfish industry to identify alternative markets and to help them invest in depuration equipment. Some of the approaches that could be done include relaying the shellfish to areas in class A waters, for instance. There are other workarounds that could be used, and we want to work with the industry to identify what those are.

For reasons I entirely understand, the industry is in the position of saying that it would like the current trade to continue as it was. I share that view, but we also have to be realistic and recognise that, if the EU intends not to change its position, we may need to think about



alternatives. We may need to adjust the model and seek other markets.

Chair: Anne Marie Morris and Anthony Mangnall are convinced that the MMO regulations are not fit for purpose, and that we are still dredging from harbours and others are putting that into the sea. We could actually tighten up our water controls and then our waters could be all class A. I know it takes a little while to do that. There is an argument that some EU countries are much more liberal in granting A status rather than B status, and that we are a bit stricter.

If Europe is going to play hardball with us, we need to play hardball back. We need to sort this out. If our waters are pretty clean, and we can clean them up a little more and get them to grade A, for goodness' sake, why do we not do it? Otherwise, again, shellfish will be out of it. I know this is slightly longer term, but is this not a solution?

George Eustice: We have looked at this and continue to. The Food Standards Agency leads on this particular piece of work, this particular area. It is true that some countries in the EU have a different methodology for assessing whether waters are class A, B or C. In particular, Denmark has a slightly more dynamic model where it assesses it on a monthly basis and changes the status. That means it might be class A some of the year and class B some of the year. We tend to go on an annual classification.

We have looked at whether having that slightly more dynamic model might help. In most months, most areas would still be class B, but in some areas it is quite borderline between class A and class B. It might be that modest changes would move them into the class A category. That is one area we are looking at, but we will do it not by changing the thresholds on which we assess these, because they are also derived from EU law. We will stick to those same sorts of thresholds, but some of these waters are quite borderline at the moment and it might not take much of an improvement to get them to class A, so we are looking at that.

Q148 **Chair:** At the moment, there is an argument going on in Anne Marie's and Anthony's constituencies, where there has been dredging from harbours that is not taken far enough out to sea. It then floats back on to the beach and back into the mouth of the river, and it is then affecting the quality of the water. For goodness' sake, surely there is something we can do about that, is there not? Otherwise, we are fiddling while Rome is burning all the time.

George Eustice: I would be happy to look at it, if there is a particular issue around that. The issue with dredging in harbours tends to be less about the E. coli risk, which is the predominant one when we are talking about live bivalve molluscs. It is more about contaminants that might be in harbour areas that then get into the water. It is a slightly different toxicology assessment rather than one around the presence of E. coli.

The key things that have an impact on water quality for this are sewage systems and problems with things like CSOs, but also agricultural pollution and runoff from fields when you get very wet weather. Those



are the two principal causes.

Q149 **Mrs Murray:** I know classification of waters is a very difficult one for you, Secretary of State, but it might be quite good if the MMO licensing department started talking to the fisheries department a little more and working in a more joined-up way.

I wanted to ask you about the depuration. Clearly, there is a reason why these bivalve molluscs are exported to other EU member states. A lot of it is to do with storage as well as just purifying it. Even if you funded domestic depuration, there is no guarantee that there would be a market in place for exports of those bivalve molluscs. Could you tell me whether you have had any discussions with the Department for International Trade about looking urgently for other markets, further afield, that we could export these bivalve molluscs to? Have you looked, again with the Department for International Trade, for markets for dead molluscs rather than live ones?

I know they do not keep their freshness for as long, but surely we should be working in a cross-departmental, joined-up way now to try to help the industry secure an alternative market, which would fly in the face of what the EU is trying to do. We would be able to export, and they would lose their supply.

George Eustice: Yes, you make a very good point on both those fronts. On the depuration point, there are already some producers and exporters that have depuration tanks. I am aware of one business, for instance, in Cornwall around Falmouth that does already do depuration of oysters and does export. It has had some challenges with the uncertainty around this over the last couple of months, but it is an example of a business that has managed to resume exporting oysters from class B waters, having depurated them. We are still able to export live bivalve molluscs from class A waters, so there is a market for either class A or already depurated bivalve molluscs. It will work for some; it will not be right for others.

As you said, there is an international market in bivalve molluscs, but not necessarily live bivalve molluscs. There is an international trade in mussels. We import quite a significant number of mussels from New Zealand and Chile. It would be perfectly possible for us to get into that processed side of the market and displace some of those imports. If you look at whelks that come from Wales, the vast majority of that production goes to South Korea at the moment. In some of the Asian markets, there are also opportunities.

There will be different solutions for different businesses. For some, it might be investing in depuration equipment and continuing the trade with the EU; for others it might be around finding alternative markets and going into the processed and frozen sector. Probably the majority of the trade in cockles is already the frozen or even the pickled market.

Q150 **Barry Gardiner:** I have a couple of questions to follow on from that about sail-powered oyster fisherman on the Fal river. I am speaking for



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Sheryll's people in Cornwall here.

Mrs Murray: You are speaking for the Secretary of State's people as well, Barry.

Barry Gardiner: They have been unable to export their catches from class B waters as well this year. You have claimed to the Committee and during these past weeks that this is because the EU did not understand its own rules. Your Defra lawyers said that the EU had no legitimate basis to ban those imports. Why are those fishermen and their local exporters not eligible for assistance from your £23 million fund for loss of income? Why have you not used the arbitration mechanisms that are prescribed in the trade and co-operation agreement to prove that the EU is wrong? Surely that would put right the injustice that you say the EU is perpetrating on our oyster fishers.

You made reference earlier to the information supplied by the EU in September last year. In fact, that was originally a letter from the Chief Veterinary Officer. In December last year, Defra's own publication made it very clear in the annexe that the export of bivalves would not be permitted on that basis, did it not?

George Eustice: No, it did not. It was wild-caught bivalves. As I said earlier, the reason given, in the paragraph next to that in the table, that they could not be exported from 1 January was that there was not an export health certificate, but, as I said, there was going to be a new export health certificate covering both from 21 April. The EU had been clear that we could use the previous certificate under the previous regulation to send live bivalve molluscs from aquaculture. I know that has been cited by some people.

This is complicated; I understand that. The confusion some people get is the difference between the wild-caught and the aquaculture bivalve molluscs. For aquaculture, they were always going to be able to continue to be sold. For wild-caught, there was going to be a short hiatus from January until 21 April. We communicated that problem to the industry in December, having picked that up.

Q151 **Barry Gardiner:** Yes, but my point to you, Secretary of State, is that the oysters in the Fal are wild.

George Eustice: That is right, yes.

Barry Gardiner: Why are they not subject to the assistance from your fund? You did not make it clear to them that they could not export, and yet they have not been able to export, have they?

George Eustice: We made it clear to them that, if they were wild-caught, they could not export. The fund has been set up to do a number of things. First of all, recognising that, due to the coronavirus and a number of other factors, the price of fish and demand for fish is down, we have done another round—



Q152 **Barry Gardiner:** Are you saying that this has affected the Fal river fishermen? Let us focus on them for a moment.

George Eustice: Yes, I am just explaining. There is a round of payments to fisherman who have vessel licences, and there is a separate component for aquaculture businesses to help them with their fixed costs. In the case of the heritage fishery on the Fal, they do not have a vessel licence in the normal way through the MMO. It tends to be a sector that is regulated principally by the IFCA and Natural England, with a role for the Environment Agency as well. Crucially, because it is a heritage fishery dominated by people who fish part time, their income tends not to pass the threshold we set, which is £10,000 per annum being the income they gain from fishing. In all those cases, it tends to be lower than that. That is why they fell outside of that particular scheme. We are looking at that.

Q153 **Barry Gardiner:** Why have you not initiated the arbitration mechanism prescribed in the TCA? If you are legally correct in your interpretation, surely that would be the logical thing to do.

George Eustice: Yes. One of the issues at the moment is that the European Union has not ratified the TCA. While the UK moved very quickly and Parliament returned prior to Christmas to get it all ratified prior to the new year, the European Union has still not ratified it. It is only once it is ratified that the specialised SPS committee would be set up to deal with these sorts of disputes.

Q154 **Barry Gardiner:** I am sure members of the Committee will have seen that, in the last hour, your Department has issued a notice that it boarded for inspection 41 vessels fishing in UK waters in the last month. This was no doubt because you correctly anticipated a question following the report in *The Fishing Daily* that, for the first two months of this year, not a single EU vessel was boarded for an at-sea inspection, to check what fish they were catching or even what type of gear they were using.

Good fisheries management relies on vessel monitoring, catch records and at-sea surveillance. Have you now resolved how the UK can get direct access to real-time catch data on EU catches in the UK EEZ? Your press release states, "The UK currently has the ability to request data on EU fishing vessels to support enforcement"; that is, to request data. "It does not currently have access to a comprehensive feed of all data covering volumes of fish caught in the UK exclusive economic zone by EU-registered fishing vessels".

Chair: Barry, for goodness' sake, we are an hour into this. Your questions are too long.

Barry Gardiner: I am sorry, Chair. There have been a lot of questions before. It is a fair question, given that the Secretary of State produced this at the last minute before this Committee.

Chair: Let him answer the question, for goodness' sake, please. Your question is going on too long. Get to the end of the question.



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Barry Gardiner: Three months on, we still have no real-time knowledge of what 1,500 EU boats are catching, do we? That includes the supertrawlers—

Mrs Murray: Chair, on a point of order, is this in relation to trade with the EU?

Barry Gardiner: Yes, it is.

Mrs Murray: Is it fisheries management?

Chair: Let us not have an argument. Secretary of State, can you give an answer to Barry, please? Then we must move on to the third question.

George Eustice: In the interests of time, I have not seen that particular press release from the MMO. I can assure the Committee that I have not urged anyone to rush anything out, because I have not seen it myself. That is an operational thing that the MMO has put out. The best thing is that I write to the Committee to explain the position.

Barry Gardiner: It is your Department.

Q155 **Chair:** Yes, Barry is right that it is your Department, Secretary of State. What we would expect from you, please, is an explanation in writing of what is happening, how we are going to board the boats and how we are going to check the data. Surely it has to be electronically referred back to the member states and to the EU. We should have access to that, especially when they are in our waters. This needs to be clarified, please.

George Eustice: That was provided for through the TCA. Data sharing, vessel monitoring data and so on is a standard feature of the fisheries negotiation that was provided for. I will write to the Committee to explain what the current position on that is.

Chair: You can have one last question, Barry.

Q156 **Barry Gardiner:** Non-precious stocks are often a financial lifeline for the small in-shore vessels, as they have very limited shares to catch quota species. Can you confirm that we have granted full access to non-precious stocks to EU vessels within our six to 12-mile waters on a historical basis? The trouble is that we do not have any knowledge of what that historical catch record is for the vessels and stocks in that zone, do we? How will you ensure that those stocks are not put at risk, and that the in-shore fleet that depends heavily on them for its livelihoods is also not put at risk?

George Eustice: On non-quota stocks, there was basically a provision in the TCA that said there should be a further discussion on access and track record. Although there are not always catch records kept, there are sales data records, landing records and often records about where static gear might have been laid. We are working through this with the EU to make sure that, where they are entitled to that access, they are entitled to it only once they prove a track record in those stocks.



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Q157 **Barry Gardiner:** At the moment, that is not possible, I take it.

George Eustice: At the moment, that is not resolved. That remains a discussion.

Q158 **Barry Gardiner:** It remains a threat to our in-shore fleet.

George Eustice: I would not put it that way. These are non-quota stocks, which some of these vessels would have been accessing. We are issuing licences to French vessels, but only once they have proved their track record.

Q159 **Dave Doogan:** Secretary of State, businesses and exporters have weathered the Brexit uncertainty, survived the Covid lockdowns and fought their way through the bureaucratic disaster inflicted on them on 1 January this year and the collapse in exports that followed. For those businesses that have survived—all credit to them—what steps will you take with your officials to support exporters and certifying officers to prepare for the introduction of the new EU export health certificates on 21 April, so we do not see yet another challenge put in front of our food-exporting businesses?

George Eustice: We have been doing quite a lot of work on this, because the European Union in some areas is changing its export health certificates, particularly on some of the products of animal origin and on composite products. I might ask David Kennedy to come in on this point, because I know he has been doing quite a bit of work on this and he is also involved on the food resilience committee, where we engage directly with businesses on this particular point.

David Kennedy: In summary, there are six new export health certificates that will have to be used from 21 April: three of them for composites, three of them for meat, and then some also for animal by-products. For products of animal origin, so food, it is those six certificates.

We have draft certificates ready; we have draft guidance. We are working very closely with industry. We have had to do a lot of clarification with the Commission, for example on whether products with pasteurised milk, which now come into scope, can be exported. We have had the clarification yesterday that, yes, they can. Over the next weeks it will be a case of working very closely. We said before that, in the period up to 1 January, we had about 40 webinars with 5,000 participants. We have a whole range of business readiness activity with all those who will have to use these six new certificates. We are making good progress.

There is a grace period, by the way. Over time, there are about 50 new certificates that will have to be used, but there are only six that will have to be used from 21 April. I do not want to underestimate the challenge, but we are on top of it. We are working very closely with industry and we should be ready for those composites and those meat certificates, which are new.



Q160 **Dave Doogan:** That is helpful. Within those six new certificates, is there anything that will assist exporters of processed animal protein products? Although it is not a foodstuff for human consumption, it is an important export commodity, and exporters that have contacted me are facing very significant challenges because of the composite nature of whatever the one-tonne bag is. It has a range of animal proteins within the actual product. Is there anything within these six new certificates that will assist those exporters?

David Kennedy: That is one we will have to come back to you on. We can commit to do that very quickly.

George Eustice: We will clarify this in writing, but we will need to talk to the Chief Veterinary Officer on this point. It is a separate body of regulations that deals with PAPs and animal by-products. There are several categories, some of which would not be able to be sold into the EU in future. It is an entirely separate regime. What we are talking about with the export health certificates here are certificates predominantly on composite processed products.

Dave Doogan: Yes, for human consumption.

Q161 **Chair:** Are these new certificates? Are they replacing certificates? You talk about another 50 certificates. Is the EU just playing silly Bs here? What the devil is going on? This just seems to be going from bad to worse, as far as I can see.

David Kennedy: They are new certificates. There are things coming into scope that require certification and have not previously required certification, for example cakes that include dairy products. They are extending the scope of what needs to be certified. It is mostly in the composite space, as I say. That is why there are only six new certificates that have to be used from 21 April, because wherever there is an existing certificate it can continue to be used through to August. We have chosen to use that grace period in order not to burden industry too much.

The six we are talking about are new. The scope of what they want to see certified has extended, but that has been in the pipeline for a long time. It is not something that has just come up over the last few weeks.

Q162 **Chair:** You do not think it is the EU just being more difficult again.

George Eustice: It is not them being more difficult, in the sense that these animal health reforms have been in train ever since the smarter rules for safer food agenda, which I recall spending hours and hours and hours arguing about, around the Council table. It has been in train for some time. It is inconvenient that we now have these changes just as people get used to some of the previous ones.

There is a new certificate, but there is not a great change for products that have meat on them, because they have always needed an export health certificate. The new ones that come into scope are principally



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products that use dairy, so products of animal origin but not meat. There used to be a threshold below which an EHC was not needed. They now need to have either an EHC or what is called a private attestation that they do not need an EHC. It is an extra bit of complexity in particular for some of the confectionary and cake manufacturers.

David Kennedy: If I can give you an example, Victoria sponge cake with cream in it did not need and does not need now an export health certificate; from the 21st, it will. That is just a change that has been in the pipeline for a long time. If it is shelf stable, it will not.

Q163 **Chair:** Is the industry going to be ready? Are we going to see a whole debacle like we saw in January/February?

David Kennedy: We are working very closely with them. The clarification we got yesterday said that, for example, biscuits and chocolate will not need export health certificates. That is really important. If they had needed export health certificates, it could have been disruptive. They will not. As the Secretary of State says, they will need the private attestation, which is an administrative document that does not have to be signed by a vet.

Chair: I look forward to all these new certificates, as does the industry, I am certain, being a little sarcastic.

Q164 **Mrs Murray:** To the enforcement issue that was raised, it was an article that I know appeared in one of the daily newspapers yesterday. I am not sure what the source of the story was, but you might find it useful to refer to that. Can I turn to the Seafood Disruption Support Scheme? Secretary of State, do you think that it is rewarding the failure of some businesses to prepare adequately for the end of the transition period? Did some businesses just ignore your advice and fail to prepare, or do you not think that is the case?

George Eustice: It is probably unfair to caricature it that way. My sense of what has actually happened here is that we engaged very thoroughly with the businesses we knew were exporters. We did proactive outbound calls. Some 5,000 businesses went on webinars and that included many in the fishing sector. To be fair to those exporters, they prepared. They identified who was going to do the certificate. In most cases, they made sure they had identified an import agent on the other side of the channel. They have done all that. The reality is that, while a lot of people have been trained, there were a lot of people who were not experienced. We saw teething problems as people tried to wrestle with some quite complicated processes.

To be fair to many, there were problems on the French side as well. They had a breakdown in their customs IT system in the first week of January and therefore diverted lorries to Dunkirk. That caused problems. Many of the French border officials themselves were on a steep learning curve.



They were making errors and sometimes stopping consignments for reasons that were not justified.

For all these reasons, it is unfair to say, "It is your fault; you were not prepared", although I have heard other fishing businesses make that point. We decided that, given that this was a steep learning curve for everyone and there was disruption, we should probably recognise that and open that fund to those who had a verifiable loss, if they could show that, as a result of the teething problems there were during the first few weeks of January, they had an actual loss that we should seek to help them with.

Ian Hewett: This is in relation to the previous question about the effect of animal health regulations. It is my team that ends up digitising the documents to get them in the export health certificates online service. We have already started on those six, so they will be ready from the 21st. Then we will build a profile for the remaining certificates that require change, which is not all the existing 127 EU certificates in the system. We are using that opportunity to make some usability fixes, based on the feedback we have had from exporters and border control points, to build those in at the same time. That should both aid the official veterinarian and the exporter, and speed up the process.

Q165 **Chair:** Ian, you digitalised the system, but I think it has to be printed off at the end, has it not? At what stage is the EU going to accept a digitalised system so we do not have to do all this in a paper-based system in the end? Where are we on all this?

Ian Hewett: That is certainly for the future. As a first step, we wanted to avoid the cliff-edge of what we had previously, which was a very manual system, where the exporter would email my team and say, "Can you build and generate a certificate for us?" and then we would send it off to the official veterinarian. We now have the EHCO service, which is 24/7 and generates that certificate for the official veterinarian to take off and sign. I recognise that that is a step towards e-certification, but it is some time off. There needs to be an acceptance by the importing country of that. Because of the Covid restrictions, we have a number of rest-of-world countries that are accepting certificates on white paper, rather than Crown gold. That means that we can then send them through automatically, rather than having that paper version accompany the consignment when it is exported.

Q166 **Chair:** Other third countries that we deal with are being much more co-operative than the EU. Is that my interpretation of what you are saying, Ian?

David Kennedy: We are in discussions with the Commission now about getting an interface so we can flow data through from EHCO to TRACES NT, which is its import system. We are making some progress with that. It is in the context of Northern Ireland, but we will do it more generally. They have an interest in interfacing the system. When they have to start



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pre-notifying, we can do a link in the other direction that says that TRACES NT, which is where they generate their export health certificates, will interface with IPAFFS. We are having those discussions with them. We expect to have progress this year.

Chair: We will come back to that. A bit of a reciprocal arrangement might be useful in our negotiations, but that is another matter.

Q167 **Mrs Murray:** I have a couple more questions. I fully understand how confusing it is for people who perhaps do not have as great a knowledge as you and I have of who licenses fishing boats, the MMO licensing them versus the IFCA licensing the more traditional ones. I know I have a similar situation in my constituency with salmon netters. I believe the Environment Agency issues the licences for those, so it is confusing. Why did you set a cap? I know about the £10,000 minimum, but why did you set a cap on claims of £100,000?

George Eustice: That was on the Seafood Disruption Support Scheme for businesses that were exporting. The reason we did that is that we wanted this to be targeted more at the SME businesses. I suppose it links to the point you made earlier. If businesses had a problem, part of that problem might have been that there was a readiness issue on their side. As I say, I do not mean that as a criticism. People were grappling with some complicated situations. You would want them to have tried to remedy that situation, not to just keep on sending consignments that were wrong and therefore leading to a financial loss.

We judged that putting a cap of £100,000 on that was the right thing to do, to make sure that the fund could be more evenly distributed and that we did not end up making very large payments to some larger businesses that might have had issues, which they then did not succeed in addressing.

Q168 **Mrs Murray:** When we saw fish auctions move online, through the internet, it greatly benefited auction houses. They must have been impacted by these disruptions as well. Did you include fish markets and auction houses? Have you seen an effect on perhaps the number of buyers from all over the country and the EU being reluctant to take part in those fish auctions now?

George Eustice: If it is fish auctions in the European Union, one of the things we have tried to target is an exporter who might have had an order for a particular time slot with a particular customer. If something went wrong and they missed that order, they might up having to just return the fish on to the open market and accept a lower price. It was less the case that you would have lorryloads of fish that were rotting, which was the caricature that was presented. It was much more that there could have been some consignments where they got a lower value for the fish than they had hoped. The way we designed the scheme helped those exporters that were caught in that position.



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Q169 **Mrs Murray:** My point is that there are auction houses where, if the fish is sold for a reduced price, they get less commission, but still have to provide staff, ice and everything to support the catch. Did you not think about supporting them in any way?

George Eustice: When you do support schemes, as we have all seen with the various suite of schemes the Government have done on coronavirus, none of these schemes can be perfect. None of them can be perfectly fair. You have to design them in a way that is deliverable, can be implemented and has as much simplicity as possible, so you can get the money out along objective criteria. Inevitably, when you announce a scheme there will be people who say, "I have been missed" or "I do not quite fit the criteria". The trouble is that, the more you complicate schemes to try to accommodate these people, the less deliverable they become. We were very clear on the fisheries disruption scheme that it was to help exporters with a verifiable loss that they might have had through trying to export, rather than opportunity cost.

Q170 **Mrs Murray:** If I could turn to meat now, could you please explain why there is not an equivalent scheme to support meat exporters?

George Eustice: We have seen fewer issues on the meat sector. What has made it uniquely difficult on fisheries is the fact that often, particularly in the shellfish sector, you are getting smaller consignments. It is more perishable and often going for individual retailers. That is what has caused the particular challenges that they have had.

When it comes to meat exports, we have had fewer issues. There have been some. There have been one or two issues with pork exports to the Netherlands surrounding the trichinella test. Generally speaking, although meat processors have obviously not welcomed the additional paperwork, they have managed it far better. You tend to get a lorryload of lamb carcasses that will go to a packer somewhere in the EU. It is a single consignment, often to a single customer. It is less complicated all round. They have tended to adjust to it quite quickly, so we have not really seen the same sorts of issues in the meat processing sector.

David Kennedy: I will give you a figure there to back that up. Vets have signed 40,000 export health certificates since 1 January for exports to the EU. About 50 trucks have been stuck at the border over that period. We work actively to get those through and get the issues resolved. Three-quarters of those 50 got through following our action, working with authorities on the continent. There are about 15 that were turned back, but that is 15 out of 40,000 issued.

Q171 **Geraint Davies:** I will be brisk. Secretary of State, obviously these changes, the red tape involved in the new non-tariff barriers and all the documentation have hit small businesses much harder than bigger businesses. I know you have been blaming the EU throughout this hearing, but it was Britain that decided to leave the EU. It did not ask us to leave. Will you be providing more support for smaller businesses that



do not have the resources that bigger ones have?

George Eustice: We have had specific schemes for trade with Northern Ireland. Some of those smaller businesses would benefit from the Movement Assistance Scheme, where we cover the costs of export health certificates and phytosanitary certificates in the case, for instance, of an ornamental plant nursery selling plants to a garden centre in Northern Ireland. We have also then had some generic support schemes specifically for small businesses to help them prepare. There has been support for them to prepare and get ready for this.

Q172 **Geraint Davies:** On the point you have made, are you planning to replicate the Trader Support Service and the Movement Assistance Scheme for seafood and meat exports to the EU overall, as opposed to just to Northern Ireland?

George Eustice: No, this is a very specific provision for Northern Ireland because obviously Northern Ireland is not an export market. It is part of the United Kingdom. It is because of the Northern Ireland protocol that we have particular provisions that we have to follow by way of SPS checks on some goods going in. Those are the costs we are covering. There is a difference, in that one is a domestic trade within the United Kingdom and the other is an export trade. I think there would be problems under WTO rules if you were to subsidise or help people with the documentation for exporting to the EU market, but not for exporting to other third countries around the world.

Q173 **Geraint Davies:** Right, so it is the WTO stopping us helping all the businesses from possibly going bust because of the overheads of red tape we have had from Brexiting. Is that it?

George Eustice: No, you have to ask, "What is the logic for supporting a business that exports to the European Union but not supporting one that exports to South Korea, Japan, India, the United States or any other market in the world?" It is really a question of consistency. We export globally. Businesses export globally. It is understood that there is a cost to doing that, through things such as export health certificates and customs declarations. It would not be fair to have a special scheme just for one part of the global market.

Q174 **Geraint Davies:** If the vast majority of our fish are sold to the EU, there would be a case to do it and to provide it generally. The cost of doing it elsewhere would be much less, because we do not export much. I know there is all this talk about how we are going to somehow sell fresh fish hundreds and hundreds of miles away. I cannot imagine how we are going to do that. Given that a small proportion of our exports are outside the EU, could we not just provide support in particular for small businesses, wherever they sell their fish?

George Eustice: We have announced the schemes we have to help those exporters that have a verifiable loss through the problems in January. We do not think we can justify having a scheme akin to the one



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that we have for Northern Ireland, simply because the European Union is obviously a third country, whereas Northern Ireland is part and parcel of the UK, so it is very different.

Q175 **Geraint Davies:** I understand that. Why can you not apply it for every country then, to be consistent with WTO rules? Some of these businesses are just going to be out of business, are they not, because of the overheads? You are saying you are just going to write them off.

George Eustice: We are not saying that. We are saying that, in some cases, there will be a change to trade patterns, in that you will get consolidation of certain goods through wholesalers and export agents. For instance, in the case of cheese, they might take several types of artisan cheese from several producers, take a lorryload across and redistribute it from there. The nature of some trade will change. As I said earlier, if you look at the trade flows on fisheries, they are getting back up close to where they were anyway. In some cases, with very small trades, direct to individual retailers for instance, there will probably be some changes to business models in future, with some of that trade being consolidated into larger consignments. That is something that probably needs to happen.

Q176 **Geraint Davies:** On that, if there has to be consolidation to a critical mass, in order to have the overhead of a business to cover the new cost of red tape, does that not mean that it is going to be very difficult for small businesses to enter the market, whether they are fishing boats or small cheese traders, as you were mentioning? You have to be at a certain critical mass. Over time, will that not be a problem for us innovating and having new businesses emerging, as we would like them to be?

George Eustice: I am not sure that that is the right way to look at it. It is more that individual small trades will become harder. Very small consignments will become harder because you have the additional overhead of the export health certificate. Bear in mind that we have lots of small businesses that trade around the world and trade with other markets already. Often they will do this with the help of an agent or somebody who will buy a range of goods from a range of suppliers, consolidate it and manage the export process to those markets right around the world. There will still be many small businesses that export, but the model they use to export may change in some cases, but not in all.

Q177 **Geraint Davies:** Will small businesses in France, for argument's sake, be better off than those in Britain? They have had a longer run-in, a longer transition, for us to get our paperwork in place and for them to prepare, which will take them into October or next year.

George Eustice: In some ways, yes, because we have taken what we think is a sensible and pragmatic approach to phasing in checks, recognising that, on day one, the regulations that the EU has are in line



with British law. Therefore, there is nothing in particular for us to be concerned about from day one. On a risk-based approach, we have decided that we should phase in checks gradually, so businesses get used to it. We think that is a pragmatic and sensible thing to do. It was open to the EU to reciprocate that. They chose not to, for reasons we all understand. They are sticklers for their legal position and their single market, so they chose not to do that. It would have been helpful if they had. Nevertheless, I do not think it means we should get into a tit-for-tat approach to these matters. We should still do the responsible thing and phase in those checks gradually, so people get used to it and we phase in the controls that are needed.

Q178 **Geraint Davies:** I would be better off starting off a new fish business in France, even though I am coming from the UK, than establishing it in Britain.

George Eustice: It would depend if you wanted to export to the UK.

Geraint Davies: No.

George Eustice: Equally, if you set up a business in France, given that the French fleet have had to forfeit a significant amount of its quota to the UK, and given that we are consulting on potentially requiring vessels to land more of their fish in the UK, you might still need to buy from a UK exporter.

Q179 **Geraint Davies:** I heard that where I am, in Swansea, the EU quota for big boats has not been used up yet. There is concern here that more big vessels will be coming up and sucking up all our fish closer to the coast than had happened before we left the EU. Is that not the case?

George Eustice: I do not see why that would be the case, no. Under the TCA, as the price for continued access to our waters, the EU is giving up around 25% of the quota that it used to catch in our waters. It will have less quota available to it as a price for having some of that continued access.

Geraint Davies: The thing is that they are not fishing at quota, so they have room to expand, but I suppose your point would be that they did before.

Chair: We move on now to talk about veterinary services and the like. We have nobody better than Dr Neil Hudson to deal with it.

Q180 **Dr Hudson:** Thank you to our witnesses for being here today. Apologies, Secretary of State, I probably sound like a bit of a cracked record, but I declare an interest as a veterinary surgeon, so forgive me if I ask you a bit about veterinary capacity. We touched on this earlier in the session, the thoughts about veterinary capacity, whether it is there in place for the certification. There is the great support of the certification support officers. What are your thoughts on whether the veterinary capacity is there? Also, have you had any thoughts about looking at the Northern



Ireland model of increasing the public veterinary workforce? As we know, many of the OV's are in companion animal or farm animal practice and have other commitments through the course of their working weeks and days. Have you thought about increasing the dedicated veterinary workforce, or are you happy with the status quo?

George Eustice: In a moment I might ask Ian Hewett to come in. You can talk vet-to-vet on this. In general terms, one of the concerns we had, coming up to the end of the transition period, was, "Do we have enough vets? Is there enough capacity?" For obvious reasons, it was something we wanted to make sure that we got right. In the end, that problem has not presented itself. During the course of the last year, particularly the second half of last year, we trained around 1,400 vets to become official vets for the purposes of doing export health certificates. There was fairly even spread of that around the country.

We had a similar scheme for local authorities so they could train environmental health officers to do fisheries certificates for EHCs as well. As belt and braces, we took the precaution of training the majority of our state vets working for APHA to also do this, so we had surge capacity. We trained I think around 150 of our APHA vets to do this. If we had pressure points or gaps in certain parts of the country, we would have a sort of flying squad of Defra vets that we could throw at the situation to make sure that things were kept moving.

In the event, that surge capacity has not been needed. In the first week there were maybe just a couple of calls on that from a couple of local authorities, but they were not needed thereafter. We have not needed to dip into that surge capacity. We have had issues to deal with around paperwork, teething problems and people getting used to these new administrative processes, but the capacity has not been the issue.

If there has been an issue, it links to what I said earlier. We trained lots of people, 1,400 new people do this, but, as we all know in life, there is a difference between being trained to do something and being experienced in doing something. Something we had to do in the first couple of months was set up a group of experienced export health certifiers and put them in a dedicated position to help provide mentoring and support to that cohort of newly trained EHCs. Where there was a really technical problem or a technical question about what certificate you should use for langoustine, wild-caught salmon and so on, there was a technical expert who could assist to get them through that situation.

Ian Hewett: I have a couple of quick points. There were the additional official veterinarians and the certified support officers, which was a new function that was established. There was quite a lot of take-up for that, as the Secretary of State has said. That has continued into this year. There were the APHA staff who work under me, vets and animal health officers, who could have stood in as certified support officers as in the private sector. I am not a vet myself, but I have 250 or so in my team.



There was a bit in the middle, which was that we hired some locum vets as a first call on surge capacity. As the Secretary of State said, there was very limited demand for them, but we tried to position them into specific locations. There were a couple that went into a fish hub. We used a couple on that dedicated line to help with the newly qualified OVs.

One final point is what we have learnt from the first couple of months of exports and virtually daily calls that David's team has overseen with certifying providers. We have updated the notes for official veterinarians acting as certifiers on a weekly and sometimes more frequent basis, just to make sure that they have all that information. We had that APHA team of vets and animal health officers as a last resort. They got a little bit of use, but we have not seen any surge in demand.

David Kennedy: To summarise, there is enough capacity in the system. That is pretty clear because nobody wanted to use our surge capacity over the last few weeks. We have to watch it very closely. We have said we want demand to pick up, for example as groupage solutions are found for Europe as we come out of lockdown in France and other countries, so there will be increased demand. On the other hand, there will be increasing capacity, because vets are getting better and doing export health certification with less time and less resource. We are watching it very closely. We can always stand up the surge capacity again if we need to, and we will do that. FSA is looking for additional vets. We have just had agreement with the chief vet and RCVS to bring in some vets from other countries under a special dispensation to work in slaughterhouses. This is not for export health certificates but it is part of the system.

Q181 **Dr Hudson:** That is really helpful. I will come back to ask more about how some of the support officers can help vets, but that is really encouraging to hear. You say that there is the capacity there and you are increasing the workforce. There is the Northern Irish model of having a larger, dedicated veterinary workforce. Are you happy with the English model compared to the Northern Irish model?

David Kennedy: You have to choose one or the other. Either you can have a public sector capacity to sign export health certificates, or you can have a market. You cannot really do both. We have a market and it is working well, but we cannot always buttress it, which is what we have done with the surge capacity.

Q182 **Dr Hudson:** I am encouraged that you have the surge capacity there. George, I liked your analogy of the flying squad vets who could come in if need be. On a parallel issue, do we feel as a country that, heaven forbid, if we have an infectious disease outbreak in the animal population, we have that surge capacity of vets who could tackle that, in terms of disease surveillance and control? We have been talking about exports, certification and that side of things. To this flying squad analogy, do you feel confident that, heaven forbid, if something came in like foot and mouth, we have the veterinary capacity to stand up?



George Eustice: Every few years we run an exercise within Defra to test our readiness and preparedness for such eventualities, so an exotic animal disease outbreak. We have run exercises before on African swine fever. I think I am right in saying that every four years we have a convention that we run that exercise on a hypothetical FMD outbreak, since it is always very high up our risk list. The answer is yes. If there were, heaven forbid, an FMD outbreak, the protocols that we have established and we test regularly would swing into action. The state vets we have, all the other support staff and all the, crucially, trading standards staff in local authorities and so on would have a role to play in that.

In a sort of doomsday scenario, as we were planning the end of the transition period, we explored something that we called contiguous or concurrent risks. That would be what happened if, at the same time, we had a major flood incident or an animal health outbreak. It was something that we tested and worked through.

There is always a problem with foot and mouth disease, as you never want there to be an outbreak. As you go for longer without having a major outbreak like that, you get a decay in institutional memory. The vets who were around who dealt with that 2001 scenario have largely now retired. We have ways of making sure that that knowledge is passed on to the next generation and we regularly stress test what we are doing, but there is always that problem of facing a challenge again 20 years on. You have a new cohort of people who have not been tested in battle before and are therefore on a steep learning curve. We do everything we can to be prepared for those types of outbreaks, regularly testing it.

Q183 **Derek Thomas:** Thank you, Secretary of State and Defra officials. Moving on, in terms of the hub, I think, George, you have described the hubs as a model particularly to support small and medium-sized businesses to export. We obviously heard examples of that in previous sessions. I guess that is your position. What role does Defra have in supporting the development of hubs?

George Eustice: We are working with the industry on this. DFDS, which is the largest distributor in the fisheries sector, has a number of hubs, I think, in Scotland. I think there is one now in Grimsby that it operates as well. There is also one that Defra has been involved in in the Rye area, which covers quite a lot of the producers along the south coast. There are discussions as well with the West Country and with some of the producers down there, to see whether a distribution hub might be helpful for producers at that end of the country as well.

In parallel with that, we have also agreed new protocols on groupage with the European Union. That is where you might get several consignments on a single load. There is a clear understanding now that you can have a pallet of fish that is wrapped and sealed in a particular way. That can go on a lorry, being sequentially loaded with several other pallets, and those can be treated as separate consignments but on a



groupage model. We have worked to make the groupage system work in a more predictable way and we have perfected that now. That is probably the approach still used predominantly with fish coming from the West Country. We have established a number of hubs, but we hope to do others as well, including in the south-west.

Q184 Derek Thomas: Is it largely a commercial solution, where the industry itself needs to come together and deliver this, or is there something that Defra has already done? What kind of concrete action has Defra taken to make this a reality? Is it largely that you are encouraging that and that the industry needs to sort itself out?

George Eustice: Our role is a facilitating role, so getting groups together and offering support where we can. In the final analysis, generally it needs either a major distributor like DFDS or perhaps a sort of joint venture between a collection of some of the larger exporters in somewhere like the south-west to come together, agree on a physical site where this could be done and put in place the processes they need for that redistribution from the hub.

David Kennedy: Let us be clear, though: we are a very proactive facilitator. If you take the groupage solution that the Secretary of State just described, we made that happen. We designed it. We brought the parties together: the logistics companies, the authorities in Northern Ireland and the exporters. We put them all together. It is fair to say that without us it would not have happened, but it needs everybody to play their part and there is a strong commercial incentive there. It does not need our money. It needs us to bring the technical expertise and co-ordination.

Q185 Derek Thomas: In the near future, do you see that the vast majority of small and medium-sized businesses will be exporting that way? Is there a risk then that we might have a number of very big businesses that have hubs around the country, which ultimately create another layer between the small exporter and the customers themselves? Is there a concern that actually it becomes a very top-heavy process for exporting fish?

George Eustice: It depends on the choice they make. Some very small exporters doing small consignments might choose to do what I would call consolidation, which is to allow an agent or another company to manage the export process for them and not actually directly export themselves. If it were through a hub, they remain the individual exporter and the hub is really a facilitation process by the haulage company and the distributor.

In the case of DFDS, it is a distribution hub. Fish arrives. It has a dispatch note, a particular destination and a particular customer. When they load all that on the lorry, they have a single export health certificate that covers maybe multiple consignments on that lorry. It enables them to remove the need for maybe four or five certificates on a lorry to having a single certificate. They still need some health attestation data to come



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from the exporting business, but it enables them to consolidate loads on to a single EHC.

Derek Thomas: It certainly seems to be a sensible approach.

Q186 **Chair:** The point Derek makes is a good one. We have to be careful that the big boys do not gobble up the little boys and girls. As you have more centralisation, and the hubs are a good idea, you have to allow access to these small producers and exporters. Otherwise, they just will not do it, will they? They will just give up on the whole operation. Also, those running the hubs may be doing a good job, but, if they start charging too much for the service, again it becomes uneconomic for the smaller producers. Are you looking at that? It could become a real issue if we are not careful.

George Eustice: Yes, we are very much looking at that. It is why trying to make the hub model work and having more hubs in different parts of the country is going to be quite important to allow those smaller exporters to keep exporting in the way they have in the past. Where they have established customers and relationships, we want to be able to support that and do everything we can to design systems that work in this new world.

Chair: I am glad you are aware of it and bearing down on that.

Q187 **Robbie Moore:** It is good to see you, Secretary of State. My question is talking about the revised timetable for the introduction of SPS controls on EU imports to GB. Why were EU member states ready to impose controls and checks on SPS exports from GB on 1 January when we were not?

George Eustice: The way I would put it is that we chose not to do it in that way. We made a decision last June or July, given that there were uncertainties about how ready people would be and how things would flow at the border from day one, that we should phase things in. We should require from the beginning a very light-touch approach on customs declaration, which is what we have had in place. We should not introduce documentary checks for export health certificates from day one. We decided we would do that from April. We should not actually start physical checks until a few months after that.

We took a conscious decision, because we thought it made sense, that, as you depart from the single market and the customs union, you should gradually allow people to acclimatise themselves to the changes. We did so to be reasonable and pragmatic, recognising that there was not really a risk in food safety in doing so. The European Union, for reasons that are best known to the European Union, chose not to be reasonable and pragmatic in a reciprocal way. You then get into the question: do you do tit for tat? Then the question becomes whether the purpose of border checks and EHCs is a sort of trade retaliation mechanism, or whether it is there for a genuine purpose, which is to ensure the safety of our food and



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that taxes are paid where they are due. We chose to take the view that it is the latter. That is why we believed in the phased approach.

Q188 Robbie Moore: Then there were the announcements of the revised timetables and things. I want to come on to that. Does the fact that EU imports face no SPS checks place British seafood and meat businesses at a competitive disadvantage?

George Eustice: For those businesses, of course it will be galling to see that importers bringing produce in from the European Union do not yet have to complete the same sort of paperwork that exporters do. Is there a difference? Yes, there is, but it is going to be a short-term difference, because we will be requiring those documentary checks and export health certificates in due course. After that, we will then be phasing in physical checks as well.

Q189 Robbie Moore: Chair, may I read a quote that we received from the National Pig Association? I will ask you to respond on that, if it is okay, Secretary of State. They said that they were concerned about the delay, as it “perpetuates the imbalance between import and exports, giving EU companies a competitive advantage”. They went on to add that “if EU products can be imported without checks and therefore at a lower cost, it ultimately impacts on the price British farmers will receive for their pigs”. Could you comment on that, if that would be okay?

George Eustice: The context of this is that the pig sector is going through a difficult phase at the moment, partly because there is a bit of oversupply across Europe. It is mainly, though, because of severe disruption of the market in China, where they have placed restriction on German exports due to African swine fever and on British exports due to coronavirus outbreaks at certain plants. The principal cause of the problem they have at the moment stems from decisions that China is taking. We are trying to work through that.

Of course, when you have an industry that is going through a difficult time, people will pick up on issues like this and highlight what they would perceive as an unfairness. I understand that, but I come back to what I said. It is going to be short lived, because we will be requiring those reciprocal checks on imports of pork from countries like Denmark, the Netherlands, Germany and so on. They will be put in place. It is just that we have delayed it a little further.

Q190 Mrs Murray: Mr Hewett, I feel that we have perhaps not given you that many questions today, so this question is directed to you. What are the risks to food safety of delaying the introduction of checks on food imports from the EU?

Ian Hewett: The first point to make is that we are undertaking checks on live animals and high-risk plants for planting at points of destination, until such time as the checks are undertaken at border control points, once established. From a biosecurity perspective, those checks are in place and will continue to be monitored. We are currently servicing



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something like 3,700 points of destination for high-risk plants. Obviously, a point of destination for a live animal tends to be a farm and we will monitor that. There have been some interceptions as a result. In terms of key risks, we think we have that covered off. Over time, as the Secretary of State has already said, there will be an introduction of documentary checks, to be followed by physical checks at the ports once established.

George Eustice: At the moment, the regulations the EU has, on everything from pesticides right through to SPS requirements in slaughterhouses, are fully in line with British law. That is because we have only just left and had regulatory alignment until the end of the transition period. We have not been rushing to change those particular regulations. The EU has made some minor changes, but not in a way that causes us any concern. Goods coming from the European Union fundamentally do not pose any more threat today than they did three months ago. For that reason, we do not think there is a risk to public health.

There is a much smaller issue, which is goods that come from outside the European Union but are in transit. Those will sometimes have a full check by the EU and a documentary check. Sometimes they will have a documentary check at the point of entry. When they come into the UK, under our law they have to go to a BCP now to be checked. We have provisions in place for those transit goods as well, but we do not judge that there is a particular risk for goods coming from the European Union.

Q191 **Mrs Murray:** If you do in the future perceive that there are risks, do you have any plans in place that you can implement immediately to address them?

George Eustice: The more likely issue is that, as we start doing checks, you may start to see that there are certain products that are more of a risk or where there are particular issues coming from particular regions. Also, one of the key freedoms we have now outside the European Union is that, if we wanted to take tougher action on biosecurity, for instance to prevent *Xylella* from getting into the UK, we have the freedom to do those sorts of restrictions now, either regionally or on the whole of the European Union. Over time, there will undoubtedly be things that we do to protect biosecurity that may start to put restrictions on some EU goods coming into the UK.

Q192 **Mrs Murray:** Checks on EU seafood and meat imports are currently being undertaken at the point of destination on a risk-led basis. How many such checks have been conducted to date?

George Eustice: On imports, I do not think we are doing checks, but Ian might want to come in.

Q193 **Mrs Murray:** If you do not have the information readily available, I would appreciate it if you could perhaps write to the Committee fairly soon with that information.



David Kennedy: To be clear, though, they do not need to be checked. There are not any checks on meat or fish coming from the EU at the moment. They will come in now on the new schedule, which is next January. What Ian referred to was that we check high-risk plants that are coming in. We can give you the data for the checks we have done at the points of destination. We check live animals and their points of destination are farms. We can give you that data. At the moment, the food is not checked because the biosecurity risk is no higher than it was before the end of the implementation period. That will change over time and we will have the checks to protect against that.

Q194 **Mrs Murray:** To be clear, at the moment the EU is conducting checks on our exports, but we are not conducting any checks on imports and we do not think that is necessary.

David Kennedy: We think that, for the interim period, it does not pose an increased biosecurity risk. We think that, over time, it is necessary to have those checks, as our regimes diverge. For the interim, it does not pose a biosecurity risk.

Q195 **Mrs Murray:** Can you explain to me very quickly why we are perceiving those risks in a different way to the European Union?

George Eustice: The short answer is that the European Union is not looking at risk; it is just looking at its rulebook. Put bluntly, the checks the EU is carrying out on British exports are entirely futile. The products we have now are as safe as they were three months ago, when they were able to travel without any paperwork. We have chosen to recognise that and be pragmatic in the way we have phased in checks. The European Union has not really approached this on a risk-based approach. It has simply said, "EU law is what it is, so we are required to do this and that is the end of it".

David Kennedy: It is a legalistic approach that treats us like every other third country, with no flexibility, and not risk-based.

Q196 **Mrs Murray:** It is the rigid EU system that we have escaped from that they are using against us.

George Eustice: Arguably, we have not entirely escaped it, because we now have to fill out the paperwork to access the market.

Q197 **Chair:** Secretary of State, you mentioned diseases. In the future, we have bluetongue in cattle, porcine epidemic diarrhoea and equine influenza. Are you looking to tighten up on the controls of that to make sure that we are not importing anything that is diseased in the future? It is time that we woke up and smelled the coffee, and did something about potential diseases coming in from the EU. They would be fast enough to do it the other way round. I am interested in us upping the game on disease control. Can you give me those reassurances?



George Eustice: Yes. We focused today predominantly on lots of the extra administration, but it is important that we understand, step back and question. We have chosen to leave the European Union and the single market because we want the freedom to design our own systems in future. In this area, that will include having our own independent policy on biosecurity. It will make it easier when we choose to put regional restrictions on certain goods where we think there is a prevalence of certain animal or plant diseases.

It will mean as well that we can move to a much more modern, risk-based approach to border checks in the round. Rather than just having percentages of checks that are prescribed in law, which is what the EU system is, we can have a much more dynamic approach where you identify emerging risks in real time and focus your energies to try to intercept particular problems from wherever they might come in the world. It is a great opportunity to have a much more modern and versatile system than that that we have been used to in the European Union.

Q198 **Chair:** We would do the checking much more on a risk basis. Is that what you are saying?

George Eustice: The great flaw in the EU system is that, as David Kennedy says, it currently treats us the same as it would any other third country in the world, when clearly that is not justified on any kind of risk-based assessment. It means they are spending a lot of time checking British exports when they probably should be spending a bit more time checking exports coming from other parts of the world. Because they do not have any kind of risk-based model, it is just prescribed percentages in EU law, and that is the system they follow.

Q199 **Chair:** You probably do not want to answer this question. Do you also think it could be a little bit politically based? Do they want to make it difficult for us because we have left the European Union? You probably do not want to answer that question, but there is a lot of feeling that they are being particularly difficult because we have left and they want to teach us, in their view, a lesson. You probably do not necessarily want to answer that question, do you, Secretary of State?

George Eustice: I do not really want to speculate on that. Rather than wanting to make it difficult, they have never wanted to make it particularly easy for a country to leave the European Union. Now there is a trade and co-operation agreement. It has been a difficult process for everyone over the last few years, but now that has been agreed it is very important that we try to get back into a sensible bilateral relationship. We are near neighbours. We do huge amounts of trade with one another and we very much look forward to seeing a return to normal relations.

Q200 **Chair:** In an answer to Barry Gardiner earlier, you said it was a little while before the Europeans were going to ratify the TCA. We have already ratified our side of the bargain. When do you believe that they



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are going to be in a position to honour the agreements we have with them?

George Eustice: I think I am right in saying that initially they had hoped to be able to ratify by the end of March. For various internal reasons and problems that they have, in terms of keeping that work on track, that has slipped. It is now possible that they may seek to ratify by the end of April, but it is a little unclear. They have had some difficulties at their end and obviously a lot of other distractions with challenges on other fronts.

Chair: It is interesting how they can get all the restrictions and the trade inspections in place, but they cannot get that legislation done. I will leave it there for now.

Q201 **Dr Hudson:** Thank you for those answers, and for the question, Chair, about disease surveillance and our readiness. It is reassuring to know that Defra takes this very seriously and is looking to the future. I speak as someone who spent a period during foot and mouth as a temporary veterinary inspector, so it is reassuring that we are ready to step up. As the Chair has said, there are threats, African horse sickness and various other diseases, that we need to be ready for. In terms of that, we have talked about co-operation with the EU. Vets work very closely across the boundaries as well. Are the Government actively seeking a bespoke veterinary agreement with the EU? Although the UK can now design its own policies, are the Government seeking a bespoke veterinary agreement?

George Eustice: Yes, and in reality, particularly given some of the tensions over the Northern Ireland protocol, the EU currently is not in the right kind of space to want to have such a dialogue. Once we get to the point that they have ratified the TCA and the specialised committees have been set up, through that, it will be possible to design better processes that will be mutually beneficial. As David Kennedy said earlier, there is an openness on their part to making sure that our import system, our IPAFFS system, and their TRACES system can work together properly.

They have a veterinary partnership agreement, for instance, with New Zealand. On the basis of that, they have lower levels of checks, so it is on one level slightly extraordinary that they check us more than they check New Zealand even though we have identical laws. It may well be possible to develop certain approaches and recognition of equivalence in both directions, and, over time, to put in place sensible, pragmatic easements. They have this with other countries, although we should also note that the volume of trade between New Zealand and the EU is very small. Obviously we have a much higher volume of trade, so the type of agreement you would seek might be quite different.

Even though there are no formal provisions in place, Christine Middlemiss, our Chief Veterinary Officer, has very good relations with her opposite numbers in EU member states. Later this week, she is going to be meeting her opposite number in Poland to discuss the issues there



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have been there with salmonella in poultry, for instance. At a technical, working level, between our veterinary service and that of member states, there is still very positive technical dialogue that takes place.

Q202 Dr Hudson: That is really encouraging to hear. Perhaps the differences between us are not as great as some people from the outside might say. As you say, the vets are working together. Disease does not respect international borders. Does the EU's position need to move a lot before we could have some agreement, or is it closer than we think already?

George Eustice: The reality is that everybody is very preoccupied with the huge coronavirus pandemic and all the challenges that creates. Once we can all get beyond that and they have ratified the TCA, it is absolutely possible that there will be a thawing in relations. Things will settle down into a regular routine. From that position, we will be able to build out sensible, pragmatic arrangements that make sense for both parties.

Q203 Dr Hudson: Following up, if we want the same thing, where is the right balance for the industry, between us being able to set our own SPS standards and having a form of equivalence with the EU that helps producers on both sides of the channel, in terms of the movement of their products? There is a bit of a tension there, but there should be a balance that could be struck, surely.

George Eustice: If you step back and ask what the rationale is for an export health certificate, it is to give reassurance to the receiving country that the goods that are arriving satisfy or are equivalent to the standards you would require in your home country when it comes to biosecurity and food safety. Therefore, the closer your regulatory regimes are, the easier it is to recognise equivalence and make that export health certification that will be required in both directions as simple as possible. The greater you diverge, the more information there might need to be on that export health certificate to give confidence to the receiving country that it can be assured of the quality of the goods that are arriving. If you look at it in that vein, we ought to be able to simplify some of these processes, but it requires a willingness to engage on both fronts. That will take a little time, for all the reasons I have said.

Q204 Dr Hudson: That is really helpful and leads me on to my final question. We have talked a lot about veterinary capacity and vets having to do the ultimate signing off on many of these certificates. In terms of simplifying things moving forward, what discussions have you had with the EU to allow some of the certifying officers to electronically sign and stamp EHCs for these exports to the EU, in order to smooth that, or does that still have to come through the vets in the end?

George Eustice: It still requires a vet in the case of products of animal origin, particularly from the meat processors. That is I think written down in EU law. One of the issues is not only the requirement for a fully qualified vet but the actual design of the animal health certificates, which is, I think, set out in a schedule of an EU regulation. It requires a



legislative change for them to adjust some of these processes, should they want to. There is probably a case for some of these roles potentially being able to be carried out by a paraprofessional who is not a fully qualified vet but is an expert in the field. At the moment, it is not something that is provided for in EU law. As an exporter, we have to provide what they request on their certificate.

Q205 Dr Hudson: At this point you have not had discussions along those lines. It is a safeguard to ultimately have a vet signing it off, but at this point in time you are not actively seeking those discussions.

George Eustice: I do not know whether David wants to come in to see whether we explored this. The law already provides that, while a vet has to sign off a certificate, there are certain elements of the work leading up to that that can be carried out by a support officer. We are exploring the role of certifying support officers, who might not be fully qualified vets. You would still need a vet to sign off the EHC at the end.

David Kennedy: There is a significant role for the support officers. It is going to be very hard to persuade the EU that you do not have to have a vet signing the certificate. We have asked the question, for example, "Is the really important work of the vet upstream with the attestation and could you automate everything from there on?" It is probably going to need a vet in that process downstream. The challenge is then to minimise the work for that vet to do, and make sure that they have all the data they need that comes through automated systems. Then we are going to take the red tape we keep talking about out of the system. That is the big prize for us.

Q206 Barry Gardiner: Secretary of State, you said earlier that you had relied upon the September 2019 correspondence with the EU, and that it was the EU that gave the UK the form to use. We heard in a previous session that in fact the chief vet, who initiated that correspondence, specifically asked about animal health regulations, and a particular form of bivalves not destined for depuration and on into the food chain, but in fact for other non-food use. Sarah Horsfall, from the Shellfish Association of Great Britain, told the inquiry that, if they had seen the correspondence at the time, they would have been able to spot that mistake. The whole mess started because, in effect, the Chief Veterinary Officer asked the wrong question. She asked about the part of the regulation that relates to ornamental purposes. Is that not correct?

George Eustice: I saw the correspondence and we published it, so I do not think that is correct. We were looking specifically at the issue of bivalve molluscs. Admittedly, I have not seen the correspondence for a month or so. I think it was in September 2019 that we asked for guidance or clarification of our interpretation around live bivalve molluscs. The EU confirmed that the model animal health certificate for import to the EU of aquaculture animals for relaying to fisheries would be the appropriate certificate to use for aquaculture.



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Q207 **Barry Gardiner:** All that is correct, but the imputation that Sarah Horsfall made was that they had asked all that under the wrong regulation. That was why they got the answer they got. I wonder if perhaps you could check that and maybe write to the Committee to clarify precisely why you do not think it was the wrong regulation.

George Eustice: Yes. What Sarah Horsfall might be referring to is that that initial dialogue was under an animal health regulation, yet it was the import of an animal not for direct human consumption but for depuration. The claim that the EU made on 3 February was that a separate public health regulation meant that these could not be imported. Because it was not a product for direct human consumption, it is a bit like saying you cannot import a live sheep because people do not want to eat live sheep or should not eat live sheep. Of course they should not and that is not what would happen. To the EU, we made this mistake in trying to then rely on a public health regulation that was not appropriate. My recollection is that that itself also made provision, read alongside the animal health regulation, for these goods to be sold for depuration.

Q208 **Barry Gardiner:** If you could write to the Committee and set out clearly why you think Sarah Horsfall was incorrect in her understanding of the regulation under which the Chief Veterinary Officer had asked the initial question, that would be really helpful.

George Eustice: Yes, we will do that.

Q209 **Chair:** We have covered a lot of this question along the way. I want to put to you that two wrongs do not make a right. I accept that. There is an issue now. The EU basically not only has its rules but, I think, is throwing the rulebook at us, as we export into the EU. We are being very pragmatic. We are allowing things through into the UK from the EU. That is giving them an advantage at the moment. Is there a chance that, by January, we could offer them an electronic system of health certificates, the whole lot being done in a very streamlined fashion? If we could, could we not actually offer that to them and say, "Would it not be possible that you reciprocate and we have the same when we go back?"

I feel that we are missing a real opportunity here to negotiate with the EU and say, "You now have to come through to us". If they will not negotiate with us, we should start being quite difficult, checking lots of lorries and making it very slow for them to come through. That is what they have been doing to us. Let us be blunt about it. What is the situation? Will you be ready by January with a good electronic system so we can get rid of lots of paperwork, let the food through from the EU, do it in a very streamlined fashion and then say to them, "EU, we have done a good job here of helping you. Will you help us?" Are you going to be in that position to offer them that at that stage?

George Eustice: One thing to note is that, in the context of Northern Ireland and the Northern Ireland protocol, we have been doing quite a lot of detailed thinking about more digital solutions, which mean data and health attestations can follow consignments of food through the supply



chain in order to simplify processes. We are doing quite a lot of work in this kind of area to make the Northern Ireland protocol work well. If, as I think, we perfect that and are able to demonstrate how well that can work, of course, if there were an appetite for engagement on this from the European Union, some of those principles could be applied more widely, in terms of UK-EU trade. It will require them to be in the frame of mind to have that kind of discussion. That is possible but it is not something that is possible at the moment.

In answer to your question, are we working up better processes that would work well for both parties? The answer is yes, very much so, in the context of Northern Ireland. Some of that work could have wider applications if there was an appetite to apply it more widely.

Q210 Chair: Let us look at this logically. Take the politics out of it and look at the trade situation. If you take the overall EU trade, not just with food, we have a big deficit with the EU on trade. Therefore, they are actually exporting more to us overall than we are exporting to them. Surely, pragmatically, there is a good argument to be made in order to facilitate good trade between Britain and the EU. We are a major trading partner of the EU, as the EU is of us. Why on earth can we not instil a little pragmatism into the EU? I must admit I had 10 years in the European Parliament and did not see much sign of pragmatism in the Commission then. I see even less now. David, what can we do to stimulate this and take out the politics: the fact that we have left, must be punished and all this rubbish? We have to trade; we have to get on with life. You are a civil servant. You sort it out, please.

David Kennedy: Let us give you a quick example. I have a weekly meeting with my counterparts in Dublin. As we introduce requirements for export health certificates, prenotification and checks, increasingly they will want to be in discussions with us about easements and process simplifications. There is a discussion to have. We are working on our side with industry. Over the next two or three weeks, I have my teams having various industry workshops to come up with the 10 things we want to simplify in terms of export health certificates. That will form the basis for the discussions and the coming together.

First, we need to frame what our ask is. Then we need the treaty to be ratified and the SPS committee to be set up where we can discuss these things. We need the checks coming in on our side, so there is a strong interest on the European side to work with us on easements that are of mutual benefit. Then there is a lot we can do, potentially.

Q211 Chair: That is the issue, is it not, putting it back to January? We have missed an opportunity. I do not think there is any point in going on and on about that. There is this question, David, of whether we will be ready with a slick system that can be done electronically, rather than so paper-based, or whether we will still not be ready with that by the time we get to January. Where are we going to be?



David Kennedy: It should be this year, in principle. We had a very good discussion last week with the Commission on the interface between EHCO, so our export system, and TRACES NT, which is their import system, particularly in the context of Northern Ireland, but it will be useful for all of Europe, as the Secretary of State said. We are having a discussion about the vice versa, so for them to interface TRACES, their export system, with IPAFFS, our import system. Those discussions are ongoing. We are doing the technical work as well. It is feasible that, by the end of the year, we can have these interfaces working. They are challenging, but they are doable if the political will is there. As I say, we have had the right signals.

Q212 **Chair:** I look forward to inviting you back on 1 January to check that all these processes are in place. You cannot be held responsible for everything. I accept that. I make a serious point and I am sure you are aware of it, as everybody is, that we should work hard to try to make this work for both sides.

Secretary of State, before you leave I have a couple of follow-up questions. One is from Anthony Mangnall. This is going back to the testing of water for the export of shellfish. He is saying that it takes around 12 hours to get the water tested. Sometimes it takes a lot longer. Can we speed up and have a much more rapid test? Is that possible? Are you looking into that?

George Eustice: What is this test on? Say it again.

Q213 **Chair:** On the water, when you are exporting the fish. Is it on the fish or on the water? I do not know. It is probably on the water.

Mrs Murray: If I can help, I think it is the classification. Possibly the Environment Agency does it.

George Eustice: This is about the class A and class B.

Q214 **Chair:** Yes, it is called an impedance test. It currently takes around 12 hours. He is asking if that can be sped up.

George Eustice: Unless Ian has the answer to that, I think it is an FSA lead, or possibly CEFAS if it is an issue around algal blooms. Perhaps we should write to the Committee on that.

Q215 **Chair:** That would be good if you could, please. I am sorry to bounce that one on you. Finally, I raised this with the Chancellor and it is probably more the Chancellor than anybody else. If you refurbish an older fishing boat, if you are a company, you get 18% capital allowance per year on that boat depreciation. If you buy a new boat, you get a 6% relief. There is an argument that we should put it up to a higher capital relief on newer boats so we can add to the safety at sea, have less pollution and all these things that are better for fisherman.

Would you be keen to support this idea? It would also build up the fishing industry. Also, a lot of these boats are made in the north of England, so it



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would give some employment to the north of England as well. I do not know whether you have considered it. I know it is probably not your role as Secretary of State, but it would be one way of stimulating some new boats in the fishing industry.

George Eustice: I have heard this raised before. In fact, I think Sheryll Murray may have raised this issue previously with me, alongside accessibility for grants. Currently, you can only get a grant for a smaller engine if you are re-kitting a vessel. I am going to say the usual form of words. Ultimately, it is a Treasury decision. It will be a matter for the Chancellor, but I am happy to look at that proposal and give it some consideration.

Chair: It is all about stimulating the fishing industry. We want this to be a positive effect in the long run. I believe there will be some positive aspects to fisheries in the long run. We have real problems at the moment through the export, the licences and everything we have been talking about today. Before you go, can I thank you, David, Ian and the Department for working very hard on this? I know you are working very hard on it. It must be very frustrating. You have been very diplomatic about the EU, I dare say a lot more diplomatic about the EU than I might be if I was sitting in your seat.

We have to sort this, because, in the end, we need to get trade freely flowing. It is in both interests. It is in the interest of the UK but also in the interest of Europe to make it work into the future. We thank you. We have put you through a fair pasting today. Thank you very much for your answers. It will be good evidence for us when we are finally putting our report together. We want the shellfish to survive and prosper. We want our fishing fleet to increase in the long run. We want to get more exports across to the EU.

Let us hope that, after Covid, when a lot of those European restaurants open up, the greater demand for fish will help drive demand for our fish over here and the markets will rise. I suspect it will be quite interesting when they need more fish. I have a feeling that the borders may not be quite so difficult to get through in Europe as they are at the moment, but we had better wait and see on that one. Thank you, Secretary of State, David and Ian. Thank you very much to members this afternoon for a very good meeting. Thank you all.