

Northern Ireland Affairs Committee

Oral evidence: [Brexit and the Northern Ireland protocol](#): livestock sector, HC 676

Wednesday 28 April 2021

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Members present: Simon Hoare (Chair); Scott Benton; Mr Gregory Campbell; Stephen Farry; Mary Kelly Foy; Mr Robert Goodwill; Claire Hanna; Fay Jones; Ian Paisley.

Questions 653 - 721

Witnesses

[I](#): John Martin, Field Development Officer, Holstein NI; Daryl McLaughlin, Beef & Sheep/Hill Farmers Policy Officer, Ulster Farmers' Union; Neil Shand, CEO, National Beef Association; Phil Stocker, Chief Executive, National Sheep Association.

Written evidence from witnesses:

- [UK Task & Finish Group on UK Livestock Movements](#)



Examination of witnesses

Witnesses: John Martin, Daryl McLaughlin, Neil Shand and Phil Stocker.

Q653 **Chair:** Good morning, colleagues, and good morning to our witnesses, Mr Martin, Mr McLaughlin, Mr Shand and Mr Stocker. Thank you, gentlemen, for joining us this morning. We are keen to hear, in light of Brexit and the protocol, the impact and issues facing livestock movements and livestock farming more generally. We are grateful to you for joining us this morning.

I just wondered whether our witnesses could address, at the top of the meeting, some idea with regard to volumes and values that we are talking about. That would help us to contextualise the market that we are talking about. Could you explain how the rules regarding the transportation of animals between GB and NI for shows and for sales have changed since 1 January?

Ian Paisley: Mr Chairman, could I declare an interest, please, just before we come on to the witnesses?

Chair: Yes, of course. Forgive me. I should have asked if any member had a declaration of interest to make.

Ian Paisley: I am involved in a legal case that involves the protocol and livestock activity.

Fay Jones: I am not sure if I have to declare an interest but I used to work for the Ulster Farmers' Union and I thought I should make that clear.

Chair: It is not a declarable interest but it is a useful piece of background information, so thank you for that. You are not a paid consultant to them or anything of that nature, in which case there is no declarable interest, but thank you for pointing that out; it is better to be safe than sorry. At some point, I am going to get somebody to answer my question, and I am still looking to Mr Martin to kick off.

John Martin: First of all, just at the outset, I would like to give my thanks to the Committee for listening to the evidence that we are going to present today. Thank you very much for that. I represent Holstein UK, which is a dairy breed cattle society. The impact of the protocol is probably more severe for animal movements within the beef and sheep sectors. We have a limited number of animals travel backwards and forwards to GB for show and for sale, but the number is probably in the twenties or thirties; they would be very high-value, but the actual value and numbers would be. We have a significant interest in the retagging of these animals. That would be our biggest concern and I am sure that we will deal with that later.

Fay Jones: I think Simon has lost his internet connection.

Q654 **Mr Goodwill:** Shall I step in until Simon has been restored? I will start with our first question, which I know Simon was going to ask. Can you



explain how the rules regarding the transportation of animals between GB and NI for shows and sale have changed since 1 January, particularly if the animal is not sold at the sale and you might need to return it to Ulster? With pedigree cattle, it would be quite important, because I know that many of the shows and sales, particularly for some of the beef breeds, are in Scotland.

John Martin: With regard to cattle going for show to GB from Northern Ireland, prior to 1 January those animals were able, subject to having a TB test, to go directly to the show and sale. Following the show and sale, if the animals were not sold, they were able to return home that evening or the next day on the ferry. Currently, with the new arrangements, that does not happen. There is a six-month residency requirement within the new regulations before those animals can return to Northern Ireland.

Q655 **Mr Goodwill:** That sounds like it is pretty much impossible to go to a show. If you take an animal to a sale and you are not happy with the price, you are going to have to take that price, because returning the animal to the farm is similarly not viable. Is that correct?

John Martin: That is correct, yes.

Q656 **Mr Goodwill:** Mr Martin and Mr McLaughlin, what do these changes mean for breeders based in Northern Ireland? Is it viable for some breeds to be based in Northern Ireland, if the main market and shows—the shop window for that breed—happen to be in GB?

John Martin: It is going to be incredibly difficult to maintain a pedigree herd at the elite level. I would imagine that a number of people will have pedigree animals that they are happy to sell to local breeders in Northern Ireland, but it is the elite genetics that move across to GB for sale.

Maybe this is a point in time when we can bring in the fact that, in the late 1970s, 1980s and 1990s, there was a significant trade in pedigree stock from Northern Ireland to the Republic of Ireland, but in 1996, with the advent of the BSE pandemic, the EU, ironically, stopped that trade for over 10 years. It has never recovered to the level that it was pre-1996.

At the moment, trade within the UK is the only trade that we have for those elite genetics in Northern Ireland, and now that has been stopped as well as a result of this EU legislation.

Mr Goodwill: Our Chairman has returned.

Chair: Mr Goodwill, thank you. Technology is great when it works but useless when it does not.

Q657 **Mr Goodwill:** Could I briefly follow up on that point that Mr Martin made? Has any indication been given to you of which diseases might be a cause of concern? You mentioned BSE, which is now a thing of the past. Is it a tuberculosis issue or an issue of infectious disease? Has anything ever been said that would justify this six-month delay in bringing animals back, or is it purely an EU rule that has to be complied with?



John Martin: As far as I am concerned, it is an EU rule that has to be complied with. Standards in GB and NI with regard to health status are very similar on both sides of the Irish Sea. Indeed, when comparing Northern Ireland figures to the Republic of Ireland with regard to TB, they are similar, although the Republic of Ireland has made a significant improvement in TB figures in the last four or five years. That is something that we are aspiring to in Northern Ireland as well.

Q658 **Chair:** Mr Martin, in my conversations and explorations, reference to the no cases of foot-and-mouth on the island of Ireland when GB had an outbreak some years ago now is seen as being very important. Would you comment on that?

John Martin: First of all, that was untrue. The information is that, in 2001, we had foot-and-mouth in Northern Ireland.

Chair: That is interesting to know, thank you.

John Martin: I could name the farmer in Ardboe, County Tyrone, who had all his cows slaughtered. There were a number of sheep as well. There was foot-and-mouth in Northern Ireland in 2001.

Q659 **Chair:** If you could email to us the details of that, that would be very helpful. Again, my apologies for issues beyond my control. Mr Stocker, do you want to chip in on this question?

Phil Stocker: I would like to just add my appreciation for being invited to come and give evidence here today. I here am representing the UK sheep sector. In respect of the overall question about the value and importance of the trade, we would typically move between 8,500 and 9,500 animals from GB to Northern Ireland every year. They are mainly commercial breeding sheep, although a small number of pedigree animals go in that direction as well.

The main movement of stock coming from Northern Ireland back to GB would be pedigree animals. The overall value of that trade is somewhere in the region of £200,000 to £250,000.¹ It is not huge on an industry scale, but it is immensely important to those individuals involved in that

¹ Clarification from witness: "I think I started by saying it could be in the region of £2 - 2.5 million, and then half corrected myself suggesting a decimal point in front - i.e. 0.2m. I apologise for this and to be clear the value (prior to 2021) will be in the region of £2 - £2.5 million. This is based on:

App 9000 commercial breeding animals sold from GB to NI at an average of £130 (incl keep until they can be moved) = £1.170M

300 pedigree animals at an average of £2500 = £0.75M

10 pedigree animals at an average of £40,000 = £0.4M

Total £2.32M

These are of course approximations but the workings show the how value could be made up and give an overall indication of the importance of this trade."



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trade. It is really important to recognise that this is something that is affecting a lot of individuals.

In terms of the value of the animals, there are two aspects to our trade. One is the movement of commercial breeding sheep, mainly from GB to Northern Ireland, and the other is the trade both ways in really high-genetic-merit, high-value mainly rams, mainly tups.

Just as an indication, the Suffolk Sheep Society supplied us with some information a few days ago, which suggested that, in 2019, six of the top 10 prices that it achieved were for rams coming from Northern Ireland, and five were paid by farmers who were buying stock to take back to Northern Ireland. In 2020, seven of the top 10 prices were for rams coming from Northern Ireland, and five were for rams bought by Northern Irish farmers to go back to Northern Ireland. It is an indication of the complete integration that Northern Ireland farmers feel within the GB livestock trade. Just to emphasise that point, on an industry scale, it may not look that significant, but for individuals involved it is absolutely crucial.

Q660 **Chair:** Thank you for that answer. Just to clarify, for those listening who may think it very strange that a farmer takes an animal from Northern Ireland to GB and then sells it to somebody who takes it back to Northern Ireland, it is principally to provide that competitive pricing dynamic in a much larger purchasing market of GB.

Phil Stocker: That is exactly right. If those animals were to be sold within Northern Ireland or the island of Ireland, that competition would not exist. It is purely about recouping some of the value from the investment that they had made in their livestock over the years, and being part of a much more competitive market.

Q661 **Chair:** Let me ask you a question that I probably know the answer to, but it is worthwhile asking, just to get the answer on to the record. In terms of sales, do you consider that digital platforms and the opportunity for online sales have been exploited fully, so that you could have that competitive dynamic on the pricing but avoid the physical movement?

Phil Stocker: We have seen a number of our sales move to online platforms over this year, and they have carried us through a period when face-to-face sales have been much more difficult, but it is really clear that farmers like to be able to see the animals up against other animals. It is just difficult to do that on an online platform. It is not a permanent alternative. More and more livestock markets are involved in live sales at the same time as providing online platforms, and that will suit a wider range of people. I would suggest that a wholesale move to online platforms would not really suit the industry.

Q662 **Chair:** As a result of online sales primarily due to Covid, has that had any demonstrable impact on values?



Phil Stocker: I do not think it has, and that is partly because the numbers of breeding stock sold would have been reduced because of that. The National Sheep Association runs its own ram sales here, in Wales, the eastern counties and the south-west. We have a number of people who would have thought that this was just a temporary blip and would have held back from buying rams this year. They will have just carried themselves through this year, so the numbers that have gone through are reduced, which has probably helped to keep the values up, to be honest. The value of sheep has been very strong this season anyway.

Q663 **Chair:** We have heard a voice from cattle and from sheep. Shall we hear the bilateral voice of Mr McLaughlin, who is the farming policy officer for the UFU dealing with beef and sheep?

Daryl McLaughlin: First, I would like to thank the Committee for the opportunity to be here this morning. Just listening to some of the evidence given by Mr Stocker and Mr Martin, I would just like to elaborate on some of the figures. I would like to give you some comparisons from 2019 as well as 2020, just to give a picture and to help put some context around the trading.

For 2019, the number of sheep that moved from GB to Northern Ireland for breeding and production was 8,939, for 2020 it was 9,915, and for the first three months of 2021 it has been 30. That shows the significant difference regarding the sheep sector. I will now give you the total cattle factors. For 2019, from GB to Northern Ireland, the figure was 3,304, for 2020 the total figure was 3,882, and for the first three months of 2021 that figure has been 480. It is important to put that information on the record. Those are DAERA statistics, so they can be checked and clarified.

Just to follow on from some of the comments on the value of sales, they are highly significant. I just spoke to a sheep producer this morning who had bought 70 sheep in the autumn in Scotland. He could not get those sheep moved back home. He subsequently made a private transaction on the mainland. He told me that he was fortunate that he was able to cover his costs in terms of the sale, but lost any further income. To put that in context, he said that, if those sheep were brought home to Northern Ireland and he were to retain those as breeding ewes or to sell in the autumn, the potential loss to his business would be between £7,000 and £7,500 for this year.

The other important thing is that the number of sheep coming to Northern Ireland annually is going to have a significant impact on the supply this autumn for breeding sales. That is going to be a challenge for the sheep sector.

Q664 **Chair:** For hill farmers, that is a potentially big chip out of their figures, is it not?

Daryl McLaughlin: Yes, I would agree. Predominantly, the sheep coming are breeding sheep mainly for hill and upland flocks. That is where the breeding cycle starts, so that is where the impact is going to be. It is not



that simple a process for Northern Ireland farmers now to start making changes to businesses. There are limited numbers of stock available here. Farmers rely on the UK internal market for that purpose.

Neil Shand: Good morning. On behalf of myself and the National Beef Association, I would like to put on record my appreciation for the invite to give some evidence this morning. You asked an initial question about some numbers and values. I am going to try to give you those for pedigree beef cattle. Our main concern is the pedigree sector, which has been discriminated against here.

You talked about Scotland being the main market. There are two main sales venues for pedigree breeding stock: one in Carlisle and one in Stirling. I am going to give you 2019 figures. Between both of those venues in 2019, 201 pedigree animals were sold by 71 vendors. The value of that stock was somewhere between £1.3 million and £1.5 million. If you divide that income by the 75 individual farmers, the value is between £17,000 and £20,000 per business per year.

So far in 2021, six animals have entered from five vendors. That stark contrast gives you a real feel for how much fear there is. You touched a little on the fear. It is a very uneven playing field at the moment, with the GB market fully aware of the restrictions placed on Northern Irish vendors, who are selling in an open market with their backs against the wall, because they have no option to return.

Q665 **Chair:** What would you change legislatively?

Neil Shand: That is a very good question. We would like the reintroduction of a show licence. We would like to go back to where our Northern Irish breeders were promised unfettered access to the GB market, and that is clearly not the case. We have to be realistic. We know that Brexit brings change and that everything is not going to go back to what it was.

However, we have accredited health schemes that operate within the UK and cover GB and NI. Perhaps we could create a movement licence within that specifically for pedigree cattle and sheep, to allow those animals to attend shows and sale events on the mainland and, in the event of a no-sale, to go back to their herd of origin, for a standstill period that would need to be agreed, and to be retested into the original flock or herd.

Q666 **Chair:** That would certainly make sense. Just to clarify, because you referred to unfettered access from NI to GB, if my understanding is correct—please shout out if my understanding is faulty—there is nothing to stop somebody taking an animal from NI to GB. To that extent, it is unfettered; it is the bringing it back where the new regulations kick in.

Neil Shand: I absolutely accept your point. However, in an open-option scenario, when the potential customer is aware that that animal does not have a return option, it is not really unfettered access to the market.



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Q667 **Chair:** This is slightly ancillary, but you will be aware that Defra is consulting on live animal movements and exports and the like at the moment. Would that be a body blow—a further body blow, if you will—to those in Northern Ireland wishing to bring livestock over for show or sale purposes, and then to return?

Neil Shand: Our understanding within the industry at the moment is that it is live movements for slaughter. We are talking here about high-value, high-genetic-merit animals moving for future breeding. Another number that is perhaps worth throwing into the pot is that the suckler industry in GB is about 1.2 million cows, less than a fifth of which are in Northern Ireland. Those producers in Northern Ireland have to access the main market, and their genetics are very highly sought after. Some of the leading pedigree herds across beef and sheep originate in Northern Ireland.

Q668 **Ian Paisley:** Thank you to our witnesses. If I could just pick up with Mr Shand, you started with a comment that the impact of what is happening to farmers and traders in the livestock sector is discrimination. Could you elaborate on that? Is this purely economic discrimination?

Neil Shand: Most of the pedigree societies and main herd books are run on the mainland. All the breed societies are UK breed societies. The main restrictions are trade. When the Chair asked the question about online sales stimulating trade and allowing things to continue as normal, for breeders to establish where they are currently within their own breed and where their standing is in terms of the performance of their animals, they need to stand side by side in a live event to see how they compare genetically with their compatriots. Trade is the biggest barrier, but full access to the UK herd books is slightly restricted by the fear of travelling. To be fair, the concern around travelling is driven by trade fear.

Q669 **Ian Paisley:** Mr Stocker, you were talking about the elite herd bloodlines that are so important to the sales process, particularly with the sheep trade. Could you give us a slight indication of the record prices that Northern Ireland livestock attracts?

Phil Stocker: In 2019, there was a record price achieved for Suffolks of 43,000 guineas for one animal sold to Northern Ireland. In the following year, in 2020, that top price was, again, from a Northern Ireland breeder back to a breeder in Scotland, with a top price of 50,000 guineas. These are really high-value animals.

Q670 **Ian Paisley:** In terms of those really high-value animals, as the Chair indicated, you would not be able to achieve that in a local market setting. Having it in a national setting, you are able to achieve that. Would you say that that is under major threat as a result of these rigmaroles that you now have to be put through?

Phil Stocker: Absolutely, I would. For those breeders in Northern Ireland who have invested for many years in high-genetic livestock, this will devastate their business. If they cannot sell back into the high-value GB



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market, they will not receive those prices on the island of Ireland and it will just finish their businesses, to be honest. There is no way forward. They will have paid those sorts of values to buy in stock in the past, and they need to continue to be part of that trade.

Q671 Ian Paisley: Mr Martin, in terms of traceability, is it not the case that Northern Ireland's livestock has probably the most efficient and best traceability on these islands? Is it not then peculiar that animals that have great traceability, if moved to another part of the United Kingdom, are suddenly trapped and that traceability is disregarded?

John Martin: Yes, you are correct. The tagging structure across the EU is standard. All calves are identified within 15 to 20 days of being born. On the unique identifier tag, we have the herd of origin that the animal was born into and then a sequential number of where that animal ranks in terms of date of birth or whatever. The most recent calf has the most recent tag in sequence. When those animals move from GB to NI, DAERA officials are now requesting that the primary tag put in at birth is removed and a new tag inserted, which bears reference to the new holder and his herd origin and next tagging sequence.

To take a step back, when the calf is tagged at birth in GB, that tag number is entered into a series of databases. The UK does not have one database for everything, but a series of databases. In those databases, we have pedigree, production, genetic, progeny, parental and animal health information. That information is collected on separate databases, all linked back to the single unique identifier that was put onto that animal at birth. Whenever that animal is then moved to Northern Ireland, those identifiers are removed and a new one is put in; there is inevitably going to be a considerable loss of traceability to that initial information, so you are correct.

Q672 Ian Paisley: Does this new system potentially undermine the integrity of the UK's traceability and food security programme?

John Martin: Yes, undoubtedly—no question.

Q673 Chair: The point was raised about taking an animal from NI to GB, trying to sell it, unsuccessfully, and wanting to bring it back to the farm. You would enter into an agreement where it will not leave the farm for six weeks or however long it may happen to be. Has that proposition been made to any of the engagements that the EU, NIO, Cabinet Office and others have been having with business organisations in Northern Ireland? If so, what was the response to it?

John Martin: I can only answer from my perspective. First of all, there has been no interaction between those bodies and industry. We have not had a seat at any table to discuss the problems associated with the subsequent retagging, movement and whatever restrictions on animals. There has been no interaction or consultation, so we have not had an opportunity to put forward a potential solution.



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Q674 **Chair:** Mr McLaughlin, I would hope that the UFU has a different story to tell. I can understand why, maybe, a specific breed group might have been enveloped into the broader voice of the farmers' union with regard to consultation. Are you able to flesh that out for us?

Daryl McLaughlin: The Ulster Farmers' Union has raised this issue with EU negotiators and the European Commission. It has raised it with the Northern Ireland Office. Unfortunately, last December, on Christmas Eve or the day before, the NIO response came back to say that if these animals were stuck on the mainland, we were to try to find a home for them there. That was totally unacceptable. It was certainly not welcomed by the industry at that point. These farmers had, in good faith, got these animals in the autumn and had them through their standstill before they would come to NI. These issues have been raised, but unfortunately they seem to get lost once they get in there and there does not seem to be much of an appetite to try to sort these issues out.

The UFU very much welcomes what the UK Government have done in relation to machinery. We would certainly be asking for similar or the same rules, where possible, as those that the UK Government use to do the same for the livestock sector.

Q675 **Chair:** Just to clarify, first and foremost, it has been put to the joint committee that, in essence, one can lance this boil of an easy return from GB to NI by either a new or the same owner, in terms of a failed sale. It would stay on farm, unable to be sold, for a period of, let us say, six weeks to allow health checks to be undertaken and to ensure that it has not picked anything up in the livestock market in GB. The response that you received was that, in those circumstances, the vendor should find another buyer in GB.

Daryl McLaughlin: Yes, that is correct. I have one point that I want to make sure is on the record and clear. If a Northern Ireland producer, for example, takes a pedigree bull to the mainland for sale and does not sell, that Northern Ireland farmer must find a farm in GB to hold that animal on the mainland for six months, and that farmer must pay for that animal to be kept. If you take a pedigree elite animal, it is not just going to be pushed through a cattle-house door into a pen of 10 or 15 other cattle. It is quite significant. The cost of keeping that pedigree bull could range from £1,100 or £1,200 to £3,000 for that six-month period. It then has to get a GB export tag to return.

Q676 **Stephen Farry:** Good morning to all of our witnesses. In light of the problems that you have been outlining so far, to what extent would some form of UK-EU veterinary agreement address your specific problems as well as some of the wider issues facing the agriculture sector, bearing in mind that you could be talking of a spectrum of models, from a Swiss-type approach through to New Zealand and, in practice, perhaps some sort of bespoke arrangement in between. To what extent could a wider veterinary agreement be part of the solution to the problems faced?



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Phil Stocker: You have struck on something really important there. When we left the European Union and became a third country, the challenge it presented is that we now have to comply with EU health and phytosanitary controls, as though we were a third country, even though we have been trading quite freely up until this day.

One of the problems that was created overnight by that within the sheep sector, again with no real warning at all, was the sudden introduction of scrapie controls between GB and NI, which mean that any sheep that are moved from GB to Northern Ireland have to be genotyped to prove that they are not susceptible to scrapie, or they have to be part of the scrapie monitoring scheme. That scheme now takes three years to get through and to get to a point where you have the evidence that they can be declared scrapie-free.

In terms of scrapie, we are not going to be able to move any volumes of sheep, unless they are already part of the scrapie scheme, and those numbers are going to be minuscule. We are not going to be able to do anything for a further three years. In answer to your question, a wider veterinary agreement between the EU and the UK would certainly be a potential resolution to this problem.

John Martin: I believe that the EU legislation on cattle movements as it has been currently applied to the Northern Ireland protocol simply does not fit. If you want, I can elaborate further on that.

Chair: I think you ought to.

Stephen Farry: You have enticed us so far, absolutely.

John Martin: This legislation that has been applied was created probably four, if not five, decades ago. The most recent amendment was circa 1997. In 1997, we did not have double-plastic tagging across the EU. Pedigree animals were identified by sketches or drawings, or a tattoo. The primary means of identification of a pedigree animal was not the tag number; it was the tattoo or the drawing.

Medway Supreme Maude, which was one of Northern Ireland's best-known Holstein cows, was imported from Canada as a calf in 1993. It did not have a tag number, and one was put into it when it arrived in Northern Ireland. The practice of importing live animals has been replaced more recently with embryo transfer. We do not have live animals coming from countries outside the EU into Northern Ireland. I have spoken to the deputy chief vet, who said that those movements in the last 20 years are negligible.

Mr McLaughlin mentioned that in 2021, 481 cattle arrived in Northern Ireland from a now third country, GB. We have gone from having nothing over 20 years to 480 in three months. The legislation in place prior to 2021 does not fit with where we are now in terms of movements within the UK, one part of which, you could say, is within the EU and the other part is outside. The current legislation does not fit.



In terms of how we address that, we could certainly look at having the same standards. We had the same standards in GB and NI on 1 January as we had on 31 December. The question is why the EU sought to introduce this legislation to hamper the movement of animals between GB and NI.

Q677 Stephen Farry: To paraphrase, in effect, what you are saying is that we are operating to rules in relation to GB that would, in theory, apply to any other part of the world, with whom there is no trade in any event.

John Martin: If you can sum it up as shortly as that, yes.

Neil Shand: I am going to answer Mr Farry's two points. First, a veterinary agreement with the EU is potentially a very good outcome. However, that is a longer-term solution, and I fear for the survival of some small businesses if we are not able to get something in place in the shorter term. The trade and financial restrictions that these pedigree sheep and beef herds are under at the moment will be seriously painful.

To your question, Mr Chair, on who is listening to us, everyone is listening but doing so from their own corner. We created a joint taskforce within the industry to take this forward, which has led us to being here today. Perhaps there needs to also be a joint working party within both Governments, along with the EU, somehow, to create a taskforce that can come up with short-term solutions. We feel a little aggrieved that used farm machinery and untraceable pot plants have been given a derogation to freely move between GB and NI, whereas livestock, which are an integral part of the food supply chain, have not.

While I have the floor, I would add to the point that Mr Martin made very well on identification. Almost 100% of these animals that are presently being retagged were born before 1 January this year, so they were technically born in the European Union.

Q678 Chair: I certainly heard from both the UK and the EU that some veterinary agreement, whether it is New Zealand, as Mr Farry suggested, would remove the need for between 82% and 85% of the checks. Is that a figure that you recognise? Maybe Mr McLaughlin might have done a bit of work on that.

Daryl McLaughlin: I was looking to come in to elaborate on the points that some of my colleagues made. The UFU considered short-term solutions as well as part of this. One short-term solution that we came up with, but which is not seeming to get much air, is that, once these animals come from GB to Northern Ireland, most will remain in Northern Ireland for the rest of their lives. Only on some occasions would they be resold on the mainland. We have put an option forward that these stock would remain within the UK market and, once they go for meat production, they would be retained within the UK domestic market. We were happy to put forward a solution that the meat at the end of life would not go for export to the EU or anywhere else. That is a short-term solution but something that has not been given much consideration.



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Q679 **Chair:** In the light of the horsemeat scandal, does that not speak to inherent weaknesses in terms of regulatory control on meat products?

Daryl McLaughlin: Sorry; I am not really grasping the point.

Q680 **Chair:** It is all well and good saying that end-of-life beasts enter into the food chain and we will guarantee that they will be retained within the UK internal market rather than enter the EU single market. The point I am making is that, given the complexity of food processing that we have, and on the back of that very recent case of horsemeat entering the UK market via very peculiar routes, it is very hard to make that a cast-iron guarantee, if the litmus test is, "Please ensure that it does not enter the EU single market". One can do best endeavours, but you cannot make it 100% watertight. The meat market is quite complex for processors, wholesalers, butchers and everybody else.

Daryl McLaughlin: Yes, I would agree on the latter point, but the red-meat industry has moved quite significantly to make further enhancements to ensure that the traceability system has been more tightly regulated and is more robust. Here in Northern Ireland, there are only nine or 10 major processing plants. With enhancements to traceability, we certainly feel, as farmers, that the traceability system is there to give that guarantee.

I would like to elaborate on the issue of checks and vets. The Northern Ireland Chief Veterinary Officer was speaking at the Stormont Committee for Agriculture just a week or 10 days ago. He said that approximately 27 vets are required at the port to undertake inspection, but fewer than half the number is in place. At the peak, they have been doing 38% of the checks, and that number has been down to the mid-20s. The EU single market still requires 100% physical inspection to be done on live animals, so there are certainly significant concerns there.

Q681 **Chair:** What is your assessment with regard to Mr Farry's proposition? What would that do with regard to demand on vets in terms of their time and, indeed, the quantum of vets needed?

Daryl McLaughlin: The farming community would certainly welcome some sort of veterinary agreement associated with a Swiss or New Zealand model, and that is certainly one that the Government should be taking quite seriously and trying to see if something similar would work here to try to alleviate. To elaborate on Mr Shand's point, that is more of a long-term solution and we, as producers, need something short-term. We talked about the livestock that was stuck back in the autumn, but what is going to happen in this year's breeding season is that farmers will not be able to make those decisions in autumn, and there is not that pool of supply of livestock here now.

Q682 **Chair:** What had given the indication that this might be a longer-term solution? My reading of the situation is that there are off-the-shelf models that the EU would be happy to pull off and use, but some elements of the Government believe that this would be a fundamental undermining of the



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delivery of Brexit, i.e. linking the whole of the UK market to, for want of a better phrase, dynamic alignment. What is your response to that? I am not necessarily convinced that it has to be a long-term solution in terms of deliverability. My understanding is that it could be done in pretty short order.

Daryl McLaughlin: If that could be done, it is certainly something that we would welcome, but it is not something that we are seeing coming back to us as key industry stakeholders. There have not been many conversations between Northern Ireland civil servants and industry.

Phil Stocker: Just to elaborate on Mr McLaughlin's comments there, it could be a fairly quick situation and there probably are agreements that are on the shelf. As Mr McLaughlin said, our experience over these last four or five months is that we have really struggled to get any engagement with the authorities over this. We have had absolutely no engagement with the European Commission over it all. We have not been allowed any access to them. Our feeling at the moment is that any agreement between the UK and the EU on this matter is going to take a long time to come about. I would suggest that an agreement could potentially include some longer-term issues with some short-term solutions to the problems that we are facing today.

Q683 **Chair:** Is Defra and/or the Cabinet Office—forgive the pun—harvesting real-time data, anecdotes, experience and learnings, or have they just said, “That is the regime; crack on”?

Phil Stocker: We have communicated some of the immediate impacts and effects to Defra and the Cabinet Office. I just feel that there is a feeling there at the moment that the mood is not good enough between the UK Government and the European Commission to be having those sorts of constructive discussions, and things need to calm a little before we can have those constructive discussions.

Within the industry, we have been angry that concessions have been made around food being moved by supermarkets from GB to Northern Ireland, as well as potted plants and farm machinery, and yet the Government have not taken responsibility for making that decision on the livestock industry's behalf. They have challenged EU regulations in terms of giving concessions on those other products but have not been prepared to do that for live animals.

Chair: We will certainly take that point away. In terms of the mood music, just as a comment, the fact that the TCA was ratified yesterday and that Lord Frost and Mr Šefčovič sat down and had a real-time supper last week, where no crockery or glassware was broken or thrown, seems to suggest that the wind is set in a favourable direction. Somebody who is always set in a favourable direction is Mr Robert Goodwill.

Mr Goodwill: Mr Stocker has already mentioned scrapie, and maybe I should just reassure people that, although it is a transmissible spongiform encephalopathy like mad cow disease, we have known about



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this disease for a very long time and there is no risk to human health, although it is caused by a prion that has a very long incubation and is, therefore, a very difficult disease to control.

Chair: Robert, you have just auditioned for the calming voiceovers of public health announcements in the future.

Q684 **Mr Goodwill:** Exactly: there is no risk to human health. There are a couple of genes that affect susceptibility and the incubation period, so there is a genotype test and you can also monitor herds, which is what Mr Stocker referred to. Mr McLaughlin, what are the practical consequences of these changes in terms of scrapie control for farmers in Northern Ireland?

Daryl McLaughlin: The scrapie issue is a significant challenge in terms of getting sheep to Northern Ireland. There are other methods of looking at scrapie to meet the EU health cert and to get them here. It is certainly a very expensive process. Even if the genotype test is taken, it is not very accurate. Mr Stocker would probably be a better witness to elaborate further.

Phil Stocker: I am very happy to elaborate. As Mr McLaughlin said, there are two ways of resolving the scrapie test in terms of moving sheep from GB to Northern Ireland. One is to be part of a scrapie monitoring scheme, but it takes three years before you can get to a status where you can be declared scrapie-free for the purposes of trade. The other way of providing evidence of low-risk scrapie is to do genotype testing. The process is to take blood tests and perform a lab test on the genotype of that sheep.

What we know is that the main trade between GB and Northern Ireland is in the hill breeds, which have very low levels of the low-risk genotype. They would say that probably 80% to 90% of their sheep would fail the genotype test to allow them to be exported. The genotype test costs £30 per head to be done and, with somewhere in the region of an 80% or 90% failure rate, it becomes very expensive in terms of piling all that cost on the animals that could be of the genotype able to be exported.

In summary, there are two ways: genotype testing, which is not very accurate and is very expensive, with a high failure rate; and a three-year scrapie monitoring scheme, which takes a long period of time to get through before you have animals that could be exported.

Q685 **Mr Goodwill:** When you say failure, you do not mean that the animals are infected, because the only way you can test for infection is post mortem. It is just the animal's level of susceptibility, were it to be exposed.

Phil Stocker: That is absolutely right. It is not an indication of the presence of disease or infection. Again, there is absolutely no risk to human health. This is simply a genetic susceptibility to scrapie.



I would add that, looking at the official scrapie figures across the UK, the numbers of cases of scrapie have probably been zero for the last two or three years. Over the past five years, we probably had a peak of around 40 cases in one year, virtually all of which were from one flock, which was identified and resolved. It is not as though scrapie is a big problem in the sheep industry. In fact, the national scrapie programme has been very successful in terms of driving susceptible genes out of our industry.

Q686 **Mr Goodwill:** Even before that, it was very rare. When we had sheep on our farm, we had only one case ever, in the 1960s. It is very rare. I take it that you are saying that there is not really a significant risk of transmission of scrapie across the Irish Sea and that, therefore, some of these restrictions are a bit over the top in terms of the level of incidence here in GB.

Phil Stocker: That is absolutely right. As you have intimated already, there has never been any evidence of BSE crossing the species into sheep, or of scrapie being a risk to human health, so the risks are very low. In addition, we have managed to drive scrapie out of our industry anyway, so the risks are incredibly low. Within the industry, we feel that we will get to a point where we are BSE-free and would then like to have a review of all the controls around TSEs in both cattle and sheep.

Q687 **Mr Goodwill:** Even an infected sheep would not transmit it to another sheep. It is through placental material or amniotic fluid at time of birth that it could be transmitted. The jury is out on it occurring spontaneously, but it is a very rare disease.

Phil Stocker: It is a very rare disease. If you take the genetic susceptibility out of the flock, which we have largely done over the last 15 or 20 years, the occurrence of the disease is going to be far lower.

Q688 **Mr Goodwill:** In conclusion, your recommendations would be that controls and tests of this type would be completely disproportionate to any potential risk to sheep, and that there is certainly no risk whatsoever to humans.

Phil Stocker: The benefit of the scrapie monitoring scheme has been to the sheep industry in terms of taking a disease out of our industry, rather than giving any benefit to human health at all. I would say that the ongoing monitoring of scrapie would be a very positive thing for the UK to continue with, but it should not get in the way of trading animals within the United Kingdom's nations.

Q689 **Mr Goodwill:** Is it a notifiable disease? I cannot remember.

Phil Stocker: It is a notifiable disease, yes.

Q690 **Mr Goodwill:** If there any sheep with scrapie, one has to notify Defra or DAERA.

Phil Stocker: Yes.



Q691 **Mr Campbell:** We heard some evidence from the chief vet for Northern Ireland last week that Northern Ireland's ports, in a global sense, are quite small but are doing more than the double the number of checks than those done at Rotterdam, which is one of the biggest ports in the world. More checks are being done here than are done at all the French ports. That probably tells us the scale of the problem that we have to try to resolve. To come down to the issue of the tagging of animals, could you, for the benefit of departmental viewers and the public watching this, paint for us, in stark terms, the change between December last year and now in terms of tags for moving animals between Northern Ireland and GB and then coming back?

John Martin: I am happy to take that, and I am sure that some of my colleagues will add anything that I have missed. On 31 December, an animal could have come to Northern Ireland with a birth tag, for want of a better term. When an animal is born in Northern Ireland, GB or anywhere in the EU, it is tagged at birth. That animal was able to travel from England to Northern Ireland on 31 December. It had a period of standstill during which it had a TB test before it came to Northern Ireland. When it arrived in Northern Ireland, it had to be isolated for a period of time, but it could join the main herd after 30 or 42 days, and no more action had to be taken.

However, an animal coming on 1 January, before coming from England to Northern Ireland, had to have a third tag with a GB prefix. The first we were aware of calves coming in was in February, when DAERA officials contacted the farmer to say that they were coming out on to farm to remove the three tags in the animal and put in two new ones. Those two new tags bore no reference to the herd of origin that the animal came from, or the sequence of tags from that initial natal holding farm.

Q692 **Mr Campbell:** Just to be clear, if you or I were to go to that farm in February where the initial two tags were removed and replaced with three new tags, we would be less aware of the animal's origin with the three tags than we were with the two. Is that right?

John Martin: First of all, there are three tags when the animal arrives in Northern Ireland. It has two farm-identifying tags plus the GB tag. The GB tag bears relation to the initial two tags that were inserted. The only difference is that "UK" is replaced with "GB". That animal arrives in Northern Ireland. It has two UK tags and a GB tag. Those three tags are removed; two new tags are put in, which bear no relationship to the initial three tags inserted in the animal. They are not linked with any database, other than the fact that the Department of Agriculture keep a record to say, "This was the tag that was in the animal when it arrived in Northern Ireland, and this is now its new identification".

Q693 **Mr Campbell:** What effect does that have on the traceability of the animal subsequent to its arrival here?



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John Martin: First of all, pedigree animals are identified by the tag number that was issued to them at birth. When those tags are removed and new ones put in, it was automatically assumed that the UK breed society will come along and amend their records by scrubbing off the first tag and putting in the second tag. What they do not realise is that that tag number links to numerous databases, where loads of information is held about that one particular animal—health, production and progeny information—but there is no link between the new tag that is put in in Northern Ireland and all that old information held in databases across the UK.

Phil Stocker: Just to add to that, when this first came to light, a lot of us assumed that we just had to add a GB tag to the UK tag, or change the number to a GB number and use the same number. If there had been an ability to use the same number and simply change “UK” to “GB”, we would have felt we could have maintained traceability. We were told that we could not keep the same number, but that the number had to change. That is where you risk losing traceability.

Again, you could make an argument that you should be able to maintain traceability by keeping a record on the database of the previous tag and the new tag, but all those systems risk a reduction in 100% traceability, in which the industry has invested heavily for the last decade or more. It is a real nuisance factor but it risks undermining the integrity of our traceability system, particularly when we are going out and trying to develop new export markets across the world as well.

Daryl McLaughlin: I wanted to add some points to those of Mr Martin and Mr Stocker. When those animals are reidentified, at some point subsequently, when the farmer wishes to sell those animals on, either for further pedigree business or for meat consumption, and once those animals are brought to a live auction or sold to another farmer, the farmer then has no visibility that that animal is an imported animal from GB. Currently, if you go back to anything brought in prior to 31 December, once it is resold at a Northern Ireland auction mart or privately, it is very visible that an animal was a GB animal. It is very visible on paper, as the printed paper identification comes with it.

That will not be there, so this is, more or less, the same thing as if cattle from Brazil, India or any other third country in the world were to come to Northern Ireland. They would go through the same process and the animals would be reidentified. It is a huge loss of integrity for the industry and something that is no longer visible to the supplier. That would make me question the further export of meat to China, the Philippines or other countries, which we talked about earlier. I would question what those countries would then think of this. I do not want to put a spanner in the works or to undermine the meat industry, but it would certainly question the integrity that Northern Ireland prides itself on having.



Neil Shand: These animals arriving from GB into NI have such a unique point of difference in terms of identification. They have three tags already inserted. Every part of the food production line recognises an animal's ID from its ear identification. If those were left, it is instantly recognisable at a market by market staff, auctioneers and lorry drivers, and at a food plant.

The removal of these initial ear tags, which we also think is becoming a welfare issue and an aspect of health and safety in terms of animals being handled, takes that instant recognisability of that animal. That is where we believe the mistakes will come further down the food chain. If you look at an animal now, you can tell exactly which country it is from. That is being removed, and these animals being imported to NI just, for want of a better phrase, blend in with the local animals, without any point of difference.

Q694 **Mr Campbell:** We were initially told that there were some problems in mid-January and that people hoped that, by February or possibly the beginning of March, things would start to ease up. We are now at the end of April. Do you see much change in the way things have operated in the past six to eight weeks?

Neil Shand: We have had a lot of these discussions with the local Department, and it is fair to say that nothing has changed. Mr Martin, Mr McLaughlin and Mr Stocker will agree with that. We are rumbling on, waiting for a golden bullet to arrive from somewhere. That is where we stand at the moment.

John Martin: I concur with Mr Shand. I am getting phone calls from members who are seeking advice. They have imported an animal and are wondering whether they will lose their pedigree status if they allow the DAERA official to remove the official identification and put in a new one. My advice to those members at this point in time is at least to allow the GB tag to remain. Take out the one, two or three UK tags but allow the GB tag to remain. There has been no amnesty and no holding back, although I have been told by DAERA officials that they are not actively pursuing members who have refused to get their animal identities changed.

Phil Stocker: I concur with what Mr Shand and Mr McLaughlin have just said. There has been change at all over these last few months. Within the sheep industry, it is also worth pointing out that we are not quite at the point where a lot of those seasonal breeding sales will take place. If you look at the monthly trends, Mr McLaughlin said earlier that, if you compare January, February and March this year with last year, the numbers moved are tiny, but we are not quite at the point where those seasonal breeding sales will take place. They will not really start until late June, July and August, so I can see the problems getting much worse in the sheep sector over the coming months.

Q695 **Chair:** This may be a question that I come to regret asking, but the view



of DAERA towards the protocol, certainly from the political leadership of the Department within NI, is known. There is always a problem of being opposed to something and therefore not seeking to make it work, and being opposed to something and therefore trying to not iron out the problems that Mr Campbell has alluded to in his question.

Throughout all of this Committee's evidence-gathering last year and the start of this, no business has not said that what they want is clarity, stability and certainty. Is that issue of "will they, won't they, are they, shan't they" contributing at all to the problem that you are finding, which is that there is not a tripartite approach to trying to find solutions? Mr McLaughlin, you may have a thought on that, possibly being better plugged in as the UFU. I may be barking entirely up the wrong tree; if I am, you must tell me.

Daryl McLaughlin: I understand where you are coming from there. We feel that there is a lot of heavy-handedness as regards DAERA. That is evidenced by, for example, the tagging regime. Our understanding is that the Republic of Ireland is taking a different approach there, so I would agree. I certainly would not want to delve any further into the politics of it, so I will stay out of that. Maybe Mr Shand would like to comment on some of the heavy-handedness around retagging.

Neil Shand: I will not be alone in saying that there are three different organisations involved: the UK Government, the Northern Ireland Government and the Commission. We could almost argue that they are all doing what it says on the tin, but we need someone to shake the tin up a little bit and to come up with a compromise that fits industry.

If we take a step back to an EU veterinary agreement, I would like to make the point that the biggest beneficiaries out of that possibly would be retail and the movement of food that require export health certificate checks. That is the big workload that would be relieved from the veterinary demand. The livestock numbers that Mr McLaughlin has already talked about are minuscule in terms of the amount of food product and products of animal origin that are moved.

Going back to your point, what we need is someone to connect the three points of the triangle here and to try to find a path to the middle.

Q696 **Chair:** Is that doable, to use your very gentle metaphor, if one point of the triangle does not want to?

Neil Shand: That is a very good question. We can all guess which point of the triangle will resist, but for the benefit of industry in general, if two points of the triangle want very much to go one way, it may be easier to pull the third one with them. We have already mentioned that derogations have been allowed for pot plants and used farm machinery, which is frustrating. Mr Stocker already quoted all the derogations handed to retail and supermarkets to allow food to move freely. We accept that that is very important but we are slightly frustrated that our part of the sector has not been given the airtime, even to listen to our



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problems, that it deserves. Who knows? We might find an agreement if people were listening to the collective problem.

Chair: Rest assured that this Committee is listening and we are giving you that airtime, which you have certainly needed, and you are making very good use of it in taking our questions.

Q697 **Scott Benton:** Were any of the issues we have been discussing this morning foreseen during the negotiations on the implementation of the protocol last year? I will direct that question to Mr McLaughlin before bringing in some of the other witnesses.

Daryl McLaughlin: There was some element of understanding during the latter half of the negotiations, but it was very late. Taking the example of sheep, during the autumn sales in August, September and October, there was no clarification about what would happen come 1 January. That came only in late November or early December. The UFU had been making comments to the Northern Ireland Office, the European Commission and the UK Government directly. It was extremely late for clarification and the detail of that, which filtered off into the early new year.

Q698 **Scott Benton:** Picking up on that point, notwithstanding the fact that these issues were fairly late in the day, did Defra or DAERA do enough to work with farmers to make them aware of the likely implications of the protocol in those final couple of months of last year?

Daryl McLaughlin: There was ongoing dialogue with DAERA and Defra officials at the later stage. To give them some credit, there were a number of additional meetings, but every time the industry asked for clarification, it came quite slowly, to be honest. They did fairly well in keeping some discussions going, but the clarification coming back to industry was slow; more could have been done in that regard.

Q699 **Scott Benton:** Mr Shand or Mr Stocker, what are your thoughts vis-à-vis consultation with farmers and industry in the last few months of last year to prepare farmers for the inevitable changes?

Neil Shand: It was very difficult. We had some indication that some things were coming. There was a lot of discussion about the 40-day and six-month residency, which we have discussed this morning, and allowing animals to move freely from GB back to NI. We were informed quite late in November about the additional GB tag, which again has been covered, and we assumed—maybe quite wrongly—that that was going to cover the EU requirements around animals moving from GB to NI.

We all know now that the negotiations went right up to the death on Christmas Eve, and we were led to believe that an awful lot of things were still on the table but fell off perhaps at the last minute. More could have been done by both Departments that you have mentioned in terms of making things easier. I can certainly confirm that no breed societies were ever consulted on what the implication of ear-tag changes would



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have for them in terms of traceability of pedigrees and animal health, et cetera. Mr McLaughlin has already covered the other point.

Phil Stocker: In our experience, Defra and all the Administrations made efforts to try to communicate with the industry, but they were as confused as everyone else, to be honest. They did know what they could say. There was no real clarity over the message that they could give out. A lot of this was probably just held up in the negotiations until the very last stages.

What I would say is to back up what Mr McLaughlin said about those Northern Ireland farmers who were buying breeding ewe lambs and shearing ewes back last August and September. They had no clue at all that the scrapie restrictions were coming and that they would not be able to move those animals to Northern Ireland. The whole industry was really taken by surprise about the scrapie controls that came in. No one really understood that until early January, when the deal was done. There was probably a general lack of understanding and real clarity coming through about the detail of these things in those last months of 2020.

Q700 **Scott Benton:** Earlier on, in questions from the Chair, several witnesses mentioned their disappointment—*[Inaudible]*—from the UK Government post 1 January. Mr Shand and Mr Stocker, have either of your industry groups tried to seek meetings with Ministers, either in Westminster or in the Executive, to try to thrash out some of these issues post 1 January? If you have requested meetings, what has the response been to those requests?

Neil Shand: As part of the group we set up, we have written to MLA Mr Poots and Secretary of State Mr Eustice. We have had confirmation of a meeting with Mr Poots and, to date, we have not heard back from Mr Eustice.

Chair: You are very lucky that somebody associated with the Department is a member of this Committee, and I know that they will have taken a note of that and will put on a pair of hobnailed boots and kick the correspondence department from here to at least the Red Lion pub, so we will see what happens there. Let us try to get you a response to that request. That is very important and Mr Benton is right to ask that question.

Q701 **Scott Benton:** I will address that point to Mr Stocker and Mr Laughlin in terms of their engagement with Ministers post January.

Phil Stocker: All of our industry bodies have been working really closely together and collaboratively, in the main through a group called the livestock chain advisory group, so a lot of our communications have been not in an independent or disparate way. We have tried to be as efficient and as effective as we possibly can and to work together on those communications. We would all have been part of the communication that Mr Shand just mentioned to the Secretary of State. I have nothing that I can add to that.



Daryl McLaughlin: Mr Shand and Mr Stocker have probably answered the question, but from a Northern Ireland point of view, there have been additional meetings and discussions with the Minister, Edwin Poots, and DAERA officials on the matters raised. We certainly welcome that Mr Poots has clarified with Mr Shand that he would like to take the new task and finish group up on this matter and try to discuss further, but I know from correspondence and conversations that we have had with him that he has been pointing to the UK Government to have to step in and take some of these decisions, more so than himself from a Northern Ireland point of view.

Q702 **Scott Benton:** Out of interest, has the emphasis on your engagement around this issue been with UK Ministers as opposed to the European Commission? What I am hinting at is whether you have requested any meetings with the European Commission, or has it sought your opinions directly on how to resolve some of these issues?

Daryl McLaughlin: Yes, we wrote to the European Commission last year and have even been sending correspondence through some of the Irish MEPs on some of these matters, to see if issues could be raised via the European Parliament. The UFU has also been liaising through its Brussels office and trying to get into correspondence in that way. Last week, our president, Victor Chestnutt, met Lord Frost and put some of those issues to him around an industry discussion, which we welcome. Our president outlined that they were certainly taking notes from the discussion, so we would hope that they will take some of these things away and try to find some solutions.

Q703 **Chair:** Mr McLaughlin, you mentioned Minister Poots, and that is the key Department as far as the Executive is concerned. From what I have heard you say, am I right to characterise the stance as being, if I could summarise, "We do not particularly like the protocol", which might be an understatement, "but as it is there and whilst it is there, we will do all that we can to address your issues, to find solutions and to make it work as best as we possibly can"? Is that an adequate and fair summary, or have I over-interpreted or under-interpreted what you have told us?

Daryl McLaughlin: That is a fair analysis of it. I know that the Minister in question has his own views, and his party has its own views, on the protocol, which is totally fine. Everyone is entitled to their own view and party view, which I will not dwell on. The Minister has been welcoming to us as industry and trying to do what he can, which is very welcome from that point of view.

Fay Jones: I have checked with the special adviser in Defra and, to date, we have not received that letter. It has not filtered its way through from the ministerial correspondence unit. If the witnesses are prepared to send it through again via this Committee, I will make sure that it gets to the Secretary of State in short order.

Chair: There you are: in real time, NIAC is proving its worth. We are



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grateful, Fay. I was very careful not to mention you but you have self-identified, so we are okay with that. Thank you, and I am sure our witnesses are grateful to you for your efforts in that; I know that I am certainly am.

Claire Hanna: I am not sure I can match that.

Chair: Come on; pull a rabbit out of a hat.

Q704 **Claire Hanna:** Thank you very much to all the witnesses. It has been very informative, particularly for this urban MP. You have set out the frictions and the practical challenges, and I just wanted to get a little bit of detail for the record about the financial costs. I know you have spoken about opportunity costs and so on in terms of selling, but just picking up on those, can you quantify the costs of complying with the regulations? Could you do that individually, by sector?

Neil Shand: Cost is very difficult. We will go with the ear-tagging scenario first and the risk factor involved with that. The animals need to be handled, arguably unnecessarily. We could be talking about animals with a value in excess of £20,000, and we could end up with a broken leg, ironically during a process that we feel is unnecessary. Then there is the welfare issue of taking identification out of an animal that already has it and replacing it with something that dilutes the real-time ability to recognise it instantly.

From a sales point of view and in terms of the restrictions on animals being able to return in the event of a no-sale, as I quoted already, if we take 2019 figures, it could take between £17,000 and £20,000 out of a small family business. That would potentially be their income. There is not a huge amount of money available in farming at the moment. It could push some people to the breadline. That is why we are quite keen to get some sort of derogation while other things are considered, so that we can get this trade reintroduced.

One thing that we cannot put a cost on is the value of high-merit genetics, which can add so much. The only number that I will give you on that is that there can be a 40% variation within a breed. Being able to access the top genetics in terms of performance and efficiency can have a huge financial impact on individual herds and flocks.

Q705 **Claire Hanna:** I might just evolve the question slightly before I move on, Mr McLaughlin, and ask how useful the movement assistance scheme has been in terms of meeting the costs and the impact, if any, on the enhanced grace periods.

Daryl McLaughlin: In relation to the movement assistance scheme, it is not going to do very much in terms of sheep and cattle movements in terms of finding a level of cost to try to help there. Unfortunately, for the livestock sector, it will not really give anything to that. For the wider agri-food industry, it is something that is probably more beneficial. However, in relation to covering costs and some export health certs for some of the meat stuff, the additional work that processors and agri-food businesses



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have to put together in terms of additional attestations varies quite dramatically. That would certainly add cost on to businesses.

I gave a case earlier of a farmer who spoke to me this morning. He purchased 70 sheep in autumn and resold them privately to a producer on the mainland. He did not make any money but he did not lose. The term he used was that he was able to "get out", but that is a loss of income of between £7,000 and £7,500 to his business later this year. That has a further impact on the breeders who would have been buying that replacement stock from him.

Q706 **Chair:** We have heard the case of the farmer who you have spoken of twice this morning. Is that because it is the only case?

Daryl McLaughlin: No, certainly not. That is just a case reference; that is not the only one.

Q707 **Chair:** How many have there been?

Daryl McLaughlin: 9,000 sheep were moved in 2020, so I could follow up with some of the more recent figures for Ms Hanna.

Chair: We would be quite interested to hear, because there is demand suppression from Covid and all the rest of it. We would be quite interested to hear the incidence and the numbers of animals that have had to be left in GB.

Q708 **Claire Hanna:** Mr Stocker, you talked about the movement assistance scheme covering the cost of scrapie monitoring. Can you give us an estimate of those costs?

Phil Stocker: The costs of scrapie genotype testing is £30 per head. There are approximately 9,000 animals that would need to be moved over, so if you multiply 9,000 by £30 a head, that will give you the additional cost, over and above what people have experienced to date. Membership of the scrapie monitoring scheme is much less. It costs somewhere in the region of £250 to be a member, but there is a three-year wait for the completion of that scheme. It is less of a cost but more of an absence of trade and a loss of opportunity during that period.

It is really difficult and a challenging question to think about what the additional costs of achieving this trade is. In terms of the cost of ear tags, for instance, you buy a new pair of ear tags for a sheep for 70p. It is much more about the opportunity cost, which is really difficult to evaluate. It is the lost income and the inability to get high-performing genetics that can add value your livestock.

When we have looked at the movement assistance scheme, the only thing that we thought it might come into play for would be covering the costs of genotyping at £30 a head. It could help there but, again, with the high failure level that we are fairly confident we would see, I am not sure that many people would want to take it up. That is the only place that we have seen it come into play.



Q709 **Claire Hanna:** Somebody mentioned silver bullets, and the only one I can see is the veterinary and SPS arrangement that Mr Farry raised. I see the Chair indicated that somewhere between 80% and 85% of checks would be eliminated. Would it be fair to say that, therefore, a similar proportion of new and additional post-Brexit costs would be eliminated?

Phil Stocker: Yes, that is a fairly safe assumption.

Q710 **Claire Hanna:** In terms of human resources, do your sectors have any concerns about access to labour in the context of new immigration rules and frameworks not directly linked to Brexit but that have followed at the same time? Will that impact on you and do you have any concerns about it?

Phil Stocker: In our sector, the problems come with migrant labour in the area of abattoirs. At farm level, we have very low involvement of migrant labour, with the exception, maybe, of shearing gangs who come over, but the Home Office has recently made an agreement that shearers can come in on a work permit for the next three years. The big problem for us would be the availability of labour, and vets at abattoirs and meat-processing plants. That is a serious challenge for the industry going forward. The whole industry is dependent on the entire supply chain. Farms will not continue to be successful if the processing and export end of our industry is unsuccessful.

John Martin: If I may come in, there are a couple of points that I want to make. For a six-month-old calf having to do a residency in GB, the costs are approximately £3 per day. For a more mature animal, it could be double that. That just gives you some idea. For six months, you are talking about £550 for a six-month-old calf to stay on farm.

One other issue that we may have omitted, and which I think is wrong, is that pedigree beef bulls are normally sold within a window of opportunity at 18 to 20 months of age. That is their prime selling age. If they have to do six months on farm before they can return to Northern Ireland, they have missed that prime selling period. I do not know what value you can put on that, but we are talking about thousands of pounds.

While I have the floor, I would like to address something that Mr Benton referred to. DAERA has no direct access to Europe. It has to use Defra as a piggyback to go through with any concerns. Northern Ireland is the region within the UK that has most to do with the EU regulations and it is wrong that we have to piggyback and go through Defra every time we have an issue or a problem. DAERA should have direct access to the EU.

Claire Hanna: That seems like a very sensible solution to me.

Q711 **Chair:** Mr Martin, in terms of the sale and shipment of bull semen, are there any new inhibitors to that?

John Martin: Not so much within Holstein circles, but there are within pedigree beef circles, where a breeder would take semen independently



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from a bull and market that himself. Most semen within the Holstein, Frisian and Ayrshire dairy world comes through larger AI companies that deal with the logistics. There is an issue with pedigree beef breeders who take semen from bulls and market that independently, yes.

Neil Shand: I hope that this does not muddy the waters somewhat. Semen can be collected in GB in different forms. Before the end of last year, it had to be collected under the same conditions as it would be collected to send to the EU before it was able to be sent to Northern Ireland. That has not changed.

Chair: That is what I understood the circumstances to be. I just wanted to hear if the practical experience was in any way different.

Q712 **Mr Campbell:** Mr Martin, you commented a moment ago on the six-month-old calf and the cost of approximately £550. Just to give people some wider context, what would the approximate value of the animal be as set against the cost of retaining it for that period of time at £550 or thereabouts?

John Martin: I was referring to calves sold at the Carlisle sale in December, where the average sale price would have been somewhere in the region of £5,000 to £6,000. To retain that calf on farm for a six-month period would cost somewhere in the region of £550.

Mr Campbell: That is about 10% of the value of the calf.

Q713 **Chair:** You may be right there, Mr Campbell, but let me just clarify. The value of the calf will change from the point of purchase to the point of it arriving in Northern Ireland. What is the differential between the value that you would have paid for it and the value of the animal as it comes into Northern Ireland six months down the line? What is the difference between the £550 and the new value?

John Martin: Unfortunately, some of the animals that have been housed for six months in GB and then come to Northern Ireland are worth considerably less when they arrive in Northern Ireland, because of the poor standard of care that they have got away from the person who owns them. I take your point that the animal is six months older when it arrives, but in a lot of cases it has not appreciated in value. When you buy a breeding-stock animal at six months of age, you do not turn around and trade that on six months later. It is very hard to give a value six months on.

Q714 **Chair:** I appreciate that, but maybe you could give us a guesstimate indication. One buys a calf and it is kept in GB for six months. Let us say that it is kept well and is properly looked after. That costs you £550 to do that. You then bring it on to farm in Northern Ireland. What would your expectation be in terms of value of a calf that is now six month older and has been well looked after?

John Martin: With respect, it is very hard to put a financial value on that. I would imagine that that animal does not appreciate in value any



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more until maybe three, four or five years down the line, if it is a successful purchase, if it does classify as excellent and if it has progeny that does well. It is not black and white, "It is £5,000 today and, in six months' time, it is worth £7,000". It is probably still worth only £5,000 in 12 months' time.

Chair: It is an upfront cost with a hope that some of it will be offset at the point of final sale three or four years down the line.

Q715 **Mary Kelly Foy:** Thank you to the witnesses. This has been a really informative session. Have the new at-risk rules and the rules-of-origin requirement of the TCA led to farmers facing tariffs on their inputs such as feed?

Daryl McLaughlin: There has been an increase in feed, fertiliser and steel manufacturing products. It has been felt across many other European countries as well as a result of a lot of Covid issues, but Northern Ireland producers have seen the highest feed costs. What we have been told as farmers by our suppliers is that there has been additional cost associated with our products as a result of Brexit.

Phil Stocker: We have been working with one or two organisations on issues around molasses in particular having a tariff applied. Just recently, we heard Defra agree that there is no case for that tariff to be applied, and some work is going to be done to try to get it removed. There is a particular example there of tariffs on molasses, which are widely used across both beef and sheep sectors.

Mary Kelly Foy: That is being looked at.

Phil Stocker: It is being looked at, yes.

Q716 **Chair:** We have been hearing from other sectors about, as a result of Brexit and the protocol, some recalibration of supply chains in terms of the island of Ireland economy. Are we starting to see that in the agricultural sector? Where might you expect to see it at a faster pace? Where might it not be deliverable? It might be for Mr McLaughlin to take a holistic UFU approach.

Daryl McLaughlin: For farmers, there will be some knock-on effect. For example, if manufacturers are sending products from Northern Ireland to the GB mainland, and they are bringing straw or other farm materials back to Northern Ireland on return loads, that has become so pragmatic, with them having to organise export health certs, et cetera. It is becoming unviable for some, so we can see this as an issue come the autumn for a lot of materials for producers.

What I can say is that, in the red-meat sector, for the likes of Northern Ireland businesses selling red-meat products to the GB mainland but then having to come back for further production or manufacturing pack for retail, that is an issue for them because, on the return, they are having to ensure that there are seals, attestations and export health certs to



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accompany any products that would have to come back for further retail or supply. What I would encourage is for those concerns to be picked up directly with the meat exporters to elaborate on much further.

Q717 Chair: Might there be a business opportunity here to see more value being added, principally to meat products, within Northern Ireland, without having to send it to GB merely for it to come back? There is the potential, is there not, to see some growth in that sector?

Daryl McLaughlin: You are right that there probably is potential for some; however, a lot of the agri-food businesses in Northern Ireland are redeploying resources to the likes of the Republic of Ireland and sourcing from other European countries. As much as that is a short-term solution for them, it is costing some of them. Some businesses may be able to make some financially cheaper deals with European countries, but that is at a loss to the UK economy.

Q718 Chair: Not if it was being done with Northern Ireland. That would have to be viewed as part of the UK economy, would it not?

Daryl McLaughlin: Yes, there is probably some element of trading, but there will be specific additional stuff that will require the importation of products from the mainland, which some of our food manufacturers have outlined. The meat industry is quite a complex sector and business.

Phil Stocker: If I could comment on that, there is a gap here strategically. Agriculture and our food and land management are going through really significant changes. All of our Administrations have been fairly good at giving overarching comments about the direction that we are going in, i.e. that we need to become more productive and to do more to improve our environment and provide public goods. That overall message has gone out and has been quite effective, but it has not come down to industry at a level that it can decipher in order to see where investment needs to be made or where trade is going to go.

It is really difficult for all businesses of all scales to make decisions based on just an overarching statement about where we are likely to go in the future. Industry has not had that discussion with the Administrations about where it is going to go, where investment is made and where support is needed for that transition.

Q719 Chair: That will resonate with Ms Jones, Mr Goodwill and me, as representatives with a large rural and agricultural hinterland. You have had Brexit, the protocol and the Agriculture Act as a whole new suite of directions that British agriculture is having to wrestle with. Knowing full well the inherent flexibilities and resourcefulness of UK farmers, I have little or no doubt that they will rise to the challenge. There will be challenges, but they will do so.

I have had no indication from any member of the Committee that they want to chip in with a question. In the few moments remaining to us, let me ask our witnesses whether there is anything that they were hoping



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that they might have been asked today but that they have not been, and that it would be helpful to their blood pressure and conducive to their family life that they were able to get off their chest now? If there is not, do not feel the urgent to create something; if there is and you feel it is important for us to hear from you on a particular point, please let us know.

Phil Stocker: I would love to come in with one wider comment, which is about the issue of the general trade in live animals between Europe and the UK. The fact is that at the moment we cannot move any live animals from the UK to Europe because of an absence of any border control posts with live animal facilities. That is not reciprocated with trade in the other direction.

As from the beginning of January, we were able to bring animals in from the EU to the UK. Our Administrations bent over backwards in a helpful way to try to ensure that that could happen, but what we are not able to do is to export any live animals. For the sheep industry, it is really important because we do not import much but we export a significant amount of breeding stock. Again, we are approaching that time of the year when we have orders from people in Europe and we are just unable to move anything out.

Q720 **Chair:** Let us add that to Fay Jones's shopping list to take back to Defra, which now seems to be on page 4. We will give the last words to Mr Martin and Mr McLaughlin. Mr Shand's blood pressure seems to be under perfect control, so we do not have to worry about him.

John Martin: Blood pressure is a problem. In April this year, the EU initiated an animal health law that is applicable to Northern Ireland. One concern that I have is that GB agricultural policy will diverge significantly from the EU's, and that will be a huge hindrance to trade between GB and NI going forward. I was looking for some assurance that GB will roughly follow the EU animal health law and standards going forward.

Chair: Mr Martin, I would urge you to read some of the speeches made in the Report stage and Committee stage of the Agriculture Bill. This was debated at great length. If this can give any comfort at all—and it is an absolutely key point—any changes in standards to lower than those that were valid at the current time would require an affirmative vote in Parliament. I do not detect any appetite so to do, and certainly not enough to create a majority in Parliament.

It is one of these things where it is an artificial freedom. Yes, the United Kingdom is free to lower its standards, but it has no interest in so doing. There is possibly an expectation that our standards may very well exceed, in some areas, those that prevail in the European Union. Because it is a debate point, it remains a concern for the EU, whereas, in terms of the mechanisms so to do, such as Mr Farry has been talking about, that whole issue is just put to bed with two signatures on a piece of paper. Let us hope that we can get those signatures on a piece of paper.



Mr Goodwill: The only example I can give where we have had to change our standards to meet a trading requirement—in this case, from the United States—is where we have had to tighten our standards and have now banned the shooting of seals, in order to comply with the equivalent legislation in the United States. Some of these agreements that we are likely to enter into could require us to raise our standards higher than the EU. Indeed, in terms of animal health, I am sure our witnesses would agree, with the possible exception of bovine TB, that we have a higher health status within our sheep, pigs and cattle. African swine fever, rabies and other diseases are endemic in parts of the EU but we do not currently have them in the UK or the Republic of Ireland.

Q721 **Chair:** I am not entirely sure that there has been a big market for seal shooting in the North Dorset constituency, but I am always prepared to be corrected on that. It is a very good point. Mr McLaughlin, I am going to turn to the Ulster Farmers' Union for the final witness word.

Daryl McLaughlin: Mr Martin touched on some of my final point, which is about the EU animal health law that is now applicable to Northern Ireland under the Northern Ireland protocol. It came into effect on 21 April. DAERA has not taken much formal action in terms of how that will roll out here in Northern Ireland, but from what we have been hearing, there are significant concerns with regard to that, particularly, as Mr Goodwill touched on, in relation to TB. Under the EU animal health law, TB will become a very contentious debate, because it is likely that a conversation will have to be had around whether Northern Ireland will have to do six-monthly TB testing or go down the pre-movement route in order to comply with the EU animal health law. That is a concern.

I would like to finish by thanking the Committee for your time and effort today, and for listening to the concerns raised. As industry, we have an open door to any further correspondence or issues that the Committee or anybody would like to put to us. I would like to acknowledge that.

Chair: Thank you very much indeed. On behalf of the Committee, can I thank all of our witnesses? I now have to go and bottle-feed some lambs, which will be music to the ears of Mr Stocker. I can hear them bleating already. Their adoptive father is about a quarter of an hour overdue with the bottles, so I had better get out and do that. Thank you all very much indeed for your time. We wish you well. Please keep us up to speed in real time with developments, issues and concerns, and we can try to feed those into Ministers as quickly as we possibly can. Thank you very much indeed.