



HOUSE OF LORDS
European Union Committee

House of Lords
London
SW1A 0PW

Tel: 020 7219 4579
Fax: 020 7219 6715
euclords@parliament.uk
www.parliament.uk/lords

1 July 2020

Rt Hon George Eustice MP
Secretary of State
Department for Environment, Food and Rural Affairs
Seacole Block
2 Marsham Street
London, SW1P 4DF

Dear George,

Agrifood and the Protocol on Ireland/Northern Ireland

The EU Environment Sub-Committee has conducted a short inquiry into agrifood and the Protocol on Ireland/Northern Ireland ('the Protocol').¹ Our work builds on the EU Select Committee's inquiry into the Protocol, and their report published on 1 June 2020.² We heard evidence from across the agrifood supply chain, from the grain trade and farmers to food processors and retail, as well as the fishing industry. We write to communicate our findings.

We stress that our observations and recommendations are offered in a positive and constructive spirit, in the belief that scrupulous attention to detail is crucial for a successful outcome for all involved.

The agrifood sector holds a vital economic position in Northern Ireland, employing a significant proportion of the private sector and feeding consumers across the United Kingdom and elsewhere.

There was support from key organisations in the sector for the Protocol, especially in contrast to the alternative of a 'no deal' exit from the European Union (EU). We welcome its successful negotiation, particularly given its purpose to avoid the introduction of a hard border on the island of Ireland.

Northern Ireland agrifood businesses described the Protocol as potentially presenting the opportunity to have a unique position in trade, if it can be implemented with minimal new checks and processes on goods moving between the rest of the UK and Northern Ireland, and

¹ A list of the Committee Members' interests can be found here:
<https://committees.parliament.uk/publications/1433/documents/13218/default/>

² The report is available at: <https://committees.parliament.uk/publications/1282/documents/11395/default/>

if regulatory alignment is maintained between the two markets. A UK-EU free trade agreement is critical to delivering this possibility.

However Northern Ireland agrifood businesses also had serious concerns about the implementation of the Protocol, which if they materialise, could threaten the viability of some businesses and put upward pressure on food prices for consumers in Northern Ireland, and to a lesser extent, the rest of the UK. Witnesses were most concerned about:

- The Protocol being implemented without adequate preparation. There is a disturbing lack of detail on the precise arrangements and significant time-pressure;
- A future UK-EU relationship not being agreed by the end of the transition period, increasing the checks and controls required on goods moving from the rest of the UK to Northern Ireland; and
- Food standards in the rest of the UK and Northern Ireland diverging, including through UK trade deals with the rest of the world, undermining Northern Ireland's position accessing the rest of the UK's internal market. This is especially important as the rest of the UK is the biggest market for the Northern Ireland agrifood sector.

Northern Ireland agrifood businesses, already operating in a challenging environment caused by COVID-19, are potentially facing the introduction of complex new requirements under the Protocol. Northern Ireland households have around half of the discretionary income of those in the UK as a whole,³ and with the additional economic impact of COVID-19 will have little capacity to cope with the possible increased food prices resulting from any new requirements placed on industry. We urge the Government to take all necessary steps to ensure that this situation is avoided.

We also heard that there has been a lack of meaningful Government engagement on the implementation of the Protocol in recent months. We are worried that moving forward without the expertise of business could lead to unnecessarily impractical or costly solutions being developed which leave Northern Ireland businesses and consumers in the worst of both worlds, rather than the best of both worlds, which the Protocol, if implemented well, could deliver. We stress that rushed, last-minute policy development and business engagement will not be enough to create effective solutions, given the scale and complexity of this task.

It is vitally important that the Protocol be implemented with a careful, considered and well-informed approach, given Northern Ireland's historically fragile political economy, and the interrelation between the arrangements and Northern Ireland's place in the United Kingdom. We strongly recommend that the Government step up its engagement and commence detailed discussions on proposals with Northern Ireland agrifood businesses from across the supply chain, and across all sectors of the Northern Ireland economy.

The rest of this letter discusses the issues raised by the Northern Ireland agrifood sector. We have included as an annex a list of the questions and recommendations – made throughout the letter – to which we expect the Government to respond. We recognise that responsibility for these issues sits across multiple Government departments, including the Cabinet Office, Northern Ireland Office, HM Revenue & Customs, the Department for International Trade, and yourself at Defra, and ask that your Department coordinate a joint response. We hope

³ Written evidence from The Consumer Council ([NIP0014](#))

such a joint response will not present a challenge as you are already working together to deal with these urgent issues.

Importance of the Northern Ireland agrifood sector

A core part of the Northern Ireland economy that also feeds the rest of the UK

Witnesses explained that the agrifood sector forms an important part of the overall economy in Northern Ireland. The Northern Ireland Food and Drink Association (NIFDA), which represents much of the sector, said that “agri-food manufacturing is Northern Ireland’s biggest industry and represents 30% of the manufacturing sector”,⁴ and added: “The agri-food sector is 100,000 jobs or 25-30% of the entire private sector employment in Northern Ireland.”⁵ The Northern Ireland agrifood sector also makes significant exports, including especially to the rest of the UK, as NIFDA highlighted: “Northern Ireland feeds a fair amount of Great Britain (output is the equivalent of 10m meals).”⁶

Given the particular importance of the agrifood sector to the Northern Ireland economy and its significant sales to the rest of the UK, how is the Government taking into account the specific concerns of the sector in the implementation of the Protocol?

The best-case scenario

Opportunities under the Protocol

Some witnesses stressed that the Protocol itself provides opportunities for Northern Ireland and is better than a ‘no deal’ exit from the European Union (EU). The Northern Ireland Grain Trade Association (NIGTA), which represents companies involved in the Northern Ireland agricultural supply trade, told the Committee: “The Northern Ireland Protocol offers an opportunity for Northern Ireland to enjoy trade within both Europe and Great Britain with unfettered export access to these regions.”⁷ The Freight Transport Association (FTA), which represents the logistics sector, said that under certain conditions, “unfettered access to the GB and EU markets will be beneficial and give NI a unique position in trade”.⁸ NIFDA added: “This deal is better than no deal and does provide some much needed certainty”.⁹ From the fishing industry, the Anglo-North Irish Fish Producers Organisation (ANIFPO), a membership organisation which manages fishing opportunities and is involved in the purchasing, processing and sale (including export) of Northern Ireland seafood, said: “Whilst UK fishermen in Northern Ireland desire frictionless trade with the EU, for them the biggest goal remains a separation from the Common Fisheries Policy ... The opportunities more than outweigh the challenges.”¹⁰

⁴ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

⁵ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

⁶ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

⁷ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

⁸ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

⁹ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁰ Written evidence from Anglo-North Irish Fish Producers Organisation (ANIFPO) ([NIP0008](#))

The best-case scenario on the ground and conditions leading to this

Witnesses described a best-case scenario for the Northern Ireland agrifood sector of minimal new checks and processes between the rest of the UK and Northern Ireland and regulatory alignment between the two markets. They also pointed to the conditions that could lead to this.

NIFDA described the overall best-case scenario as being where “there are minimal new costs, time constraints and bureaucracy, and that arrangements are straight-forward for SMEs [small and medium-sized enterprises] to comply with”.¹¹ The FTA told the Committee: “Our best hope is minimal formalities [checks and processes], close alignment on regulatory standards and derogations on certain trade flows. A trade agreement will reduce the scale of formalities.”¹² The Andersons Centre, an agrifood advisory and research consultancy, said that “a comprehensive Free Trade Agreement (zero tariffs and zero quotas) which also includes a comprehensive regulatory equivalence agreement” is an important part of the best-case scenario, in part because it “would minimise the scope for divergence between GB and NI and would mean that any regulatory formalities which took place (e.g. SPS [sanitary and phytosanitary]¹³ related checks) would be much less burdensome”.¹⁴

We note support from key organisations in the sector for the Protocol, especially in contrast to the alternative of a ‘no deal’ exit from the EU, and welcome its successful negotiation, particularly given its purpose to avoid the introduction of a hard border on the island of Ireland. We note that a UK-EU free trade agreement is an important part of the best-case scenario anticipated by several organisations. What are the challenges for the Government in delivering the Protocol arrangements in the absence of a UK-EU free trade agreement? We urge you to take note of the scale of these challenges as you develop your approach to the negotiations with the EU on the future relationship.

Timing and business readiness

Expectations of readiness by 1 January 2021

Many of the representatives of Northern Ireland agrifood businesses thought it would be very challenging for the new arrangements required by the Protocol to be ready by the end of the transition period on 31 December 2020.

NIFDA told the Committee: “We have a low level of confidence that the arrangements will be ready.”¹⁵ The Northern Ireland Retail Consortium (NIRC), which represents Northern Ireland retailers, added: “It will be hard to bring in all of the changes and new systems needed by Jan 2021.”¹⁶ The Andersons Centre were more emphatic: “This will take a

¹¹ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

¹² Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

¹³ Sanitary and phytosanitary measures are designed to protect human, animal and plant health

¹⁴ Written evidence from Andersons Centre ([NIP0012](#))

¹⁵ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

¹⁶ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

significantly longer time frame than January 2021 to achieve.”¹⁷ The National Office of Animal Health (NOAH), which represents the animal medicines industry, agreed: “We do not expect either government or the animal health industry to be ready for 1st of January 2021 based on the lack of information and instruction provided by government to date.”¹⁸

The FTA were cautiously more optimistic on whether the arrangements could be ready by 1 January 2021, saying that it was “not impossible, logistics is a problem-solving industry but the government must take the lead of this and give clarity and engagement”.¹⁹ The Ulster Farmers’ Union (UFU), which represents many farmers in Northern Ireland, struck a similar tone: “We understand it can still be done but need to see progress starting urgently.”²⁰

For GB/EU trade from 1 January 2021, the Government recently announced that due to the impact of COVID-19 on businesses’ ability to prepare: “The UK has taken the decision to introduce the new border controls in three stages up until 1 July 2021.”²¹ The Government further clarified: “This approach does not apply to the flow of trade between Northern Ireland and Ireland, or between Northern Ireland and GB which is covered by the Withdrawal Agreement.”²²

We note that the Government is staggering the introduction of border controls on Great Britain’s border with continental Europe. Given the very challenging timeline to introduce the equivalent Protocol arrangements, are you discussing with the EU pursuing a similar phased approach between Great Britain and Northern Ireland? We urge you to consider doing so, or, if not, to explore other ways to create more time for Protocol implementation.

Time required from clarity on precise arrangements

Many witnesses agreed that clarity on the precise arrangements to be put in place under the Protocol was needed urgently as it would then take time for businesses to prepare for these. There was a strong message that businesses could not undertake much preparation without more detailed information from the Government.

NIFDA told the Committee that “without clarity soon, the sector may not cope with the new arrangements”.²³ The Andersons Centre stressed that businesses need time to prepare once the Government has provided more information: “There is no point in claiming that once Government is ‘ready’ that everything is in place. Businesses, large and small, also need to be prepared ... companies can only really prepare once the Governmental stakeholders have decided on the detail.”²⁴ Whitby Seafoods, which is a Great Britain-based scampi manufacturer with operations in Northern Ireland, agreed and said that they could not

¹⁷ Written evidence from Andersons Centre ([NIP0012](#))

¹⁸ Written evidence from National Office of Animal Health (NOAH) ([NIP0013](#))

¹⁹ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

²⁰ Written evidence from Ulster Farmers’ Union (UFU) ([NIP0006](#))

²¹ For more information, see the website item: ‘Government accelerates border planning for the end of the Transition Period’, available at: <https://www.gov.uk/government/news/government-accelerates-border-planning-for-the-end-of-the-transition-period>

²² From the website item: ‘Government accelerates border planning for the end of the Transition Period’

²³ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

²⁴ Written evidence from Andersons Centre ([NIP0012](#))

prepare effectively without much greater detail: “We are not doing any protocol preparation, as we still have no idea what to prepare for. There needs to be a significant amount of time between negotiations concluding and legislation changing, so that those affected (including industry) have time to prepare. Asking people to prepare for a range of possible outcomes is not going to have good outcomes.”²⁵

The FTA said they would need a minimum of six months to prepare, once more detailed information on the arrangements has been provided. They cited a March 2020 report by Northern Ireland’s Department for the Economy which had concluded that “recruitment and training of staff used to administer new protocol formalities should begin no later than the first half of 2020 if businesses [are] to be ready for implementation on 1st January 2021”.²⁶ For NIFDA, a year was the minimum for arrangements to be put in place, “to allow packaging, logistic routes, paperwork training/IT hardware, dispute resolution procedures establishment etc.”.²⁷

We are concerned that the Government’s argument that businesses have had plenty of time to prepare for the end of the transition period will ring hollow if the processes and requirements for businesses transporting goods between the rest of the UK and Northern Ireland are not clear. How much time do your implementation plans allow for businesses to prepare after key implementation decisions are taken? What assessment have you made of the time it will take businesses to recruit new staff and develop IT systems and processes to reflect the new arrangements?

Impact of COVID-19

Several witnesses stressed that COVID-19 had only made it harder for them to prepare for and weather any negative impacts associated with new arrangements introduced under the Protocol. The financial resilience of Northern Ireland households is also likely to have reduced with COVID-19. Huge further economic shocks are possible if the disruption caused by the lockdown damages sectors of the economy.

“Industry is weakened on profit and loss balance sheets” NIFDA told us, adding: “COVID-19 had created global food and drink turbulence with supply, integrity and cost problems. This is, therefore, a very difficult time to introduce a big change to arrangements. Industry will require significant support.”²⁸ The NIRC had similar messages: “There is little bandwidth or financial capacity amongst the NI business community to deal with this now ... There will be little bandwidth in January to deal with these changes either.”²⁹

Subsectors of the Northern Ireland agrifood sector agreed. The UFU said that their members had “greatly reduced capacity to get involved/engage/prepare”.³⁰ Denholm Fishselling Limited, a company based in Scotland with operations in Northern Ireland which co-owns Northern Ireland fishing vessels and performs intermediary functions between

²⁵ Written evidence from Whitby Seafoods ([NIP0005](#))

²⁶ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

²⁷ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

²⁸ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

²⁹ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

³⁰ Written evidence from Ulster Farmers’ Union (UFU) ([NIP0006](#))

fishers and processors, told the Committee: “COVID-19 has hit this sector very seriously because of the near-collapse of the hospitality industry, the ultimate end-user of most of the NI fish and seafood. This has meant that the sector is currently focussing on survival rather than on preparation for the Protocol.”³¹

The Consumer Council, a non-departmental public body which promotes and safeguards the interests of consumers in Northern Ireland, explained that while it is known that COVID-19 has negatively affected consumer confidence in Northern Ireland and consumer spending is forecast to fall sharply, “much of the research on financial resilience is from the period before the COVID-19 crisis. Therefore it is likely that the financial position of many consumers/households [who have the lowest weekly household discretionary income of any UK region] will have worsened”.³² NIFDA expect that “consumers will be focused on affordability in the biggest recession that any of us will have known, and the arrangements will add costs.”³³

Given that COVID-19 has undermined the ability both of businesses based in or trading with Northern Ireland to prepare for transition to the Protocol arrangements, and of Northern Ireland consumers to cope with price rises, how are you adjusting your approach to implementing the Protocol? We note that the knock-on economic and social impacts of COVID-19, while too early to fully understand, are potentially very large.

Goods moving from the rest of the UK to Northern Ireland

Significant flow of goods from the rest of the UK to Northern Ireland

Under the Protocol, new checks and processes on goods moving from the rest of the UK to Northern Ireland are required which relate to sanitary and phytosanitary (SPS) measures, customs (including duties), VAT and excise, and product regulations. Witnesses highlighted the significant flow of goods moving in this direction, including inputs for the agrifood sector and finished products going onto shop shelves.

NIGTA explained that livestock farmers in Northern Ireland depend on grain from the rest of the UK: “The Northern Ireland livestock sector needs unfettered access to UK wheat, barley etc to remain competitive. It is estimated at least 80% of imported barley in Northern Ireland originates in GB, and in 2019 approximately 50% of wheat imports were from GB. However this can be as high as 100% in a strong UK grain production year.”³⁴ NIFDA made the same point.³⁵ The Northern Ireland Meat Exporters Association (NIMEA) also told us that Northern Ireland meat processors rely on accessing red meat imports from the rest of the UK at certain times to meet ongoing customer demand.³⁶

³¹ Written evidence from Denholm Fishselling Limited ([NIP0015](#))

³² Written evidence from The Consumer Council ([NIP0014](#))

³³ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

³⁴ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

³⁵ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

³⁶ Written evidence from the Northern Ireland Meat Exporters Association (NIMEA) ([NIP0011](#))

Impact of the new checks and processes

NIFDA explained the possible impact of the range of new checks and processes: “Any friction could affect how suppliers operate and where demand for products is directed. Many fresh products contain multiple ingredients leading to complex documentation requirements. If expensive and slow, it will not work for a low margin very fast industry.”³⁷ They also highlighted a specific worry for the food sector: “Food often has six days of shelf-life so delays could result in consignments perishing and being written off.”³⁸

The NIRC said, “The more friction in any border crossings into or out of Northern Ireland, the greater the costs/risks and the lower the profitability, and thus the greater the threat to the NI economy.”³⁹ They added: “The increase in the administration for most shipments of goods will be significant. Products will also be at risk of substantial delays if border posts struggle to cope with the numbers ... These additional controls will not come without a cost.”⁴⁰

The Consumer Council underlined that additional costs for businesses were likely to be passed on to consumers: “It is fair to assume that if businesses experience additional costs as a result of any additional checks or controls on agri-food ingredients and products that they will seek to recover these by increasing prices for consumers.”⁴¹ They also told us that Northern Ireland households would struggle to cope with rises in food prices. The Consumer Council highlighted that “NI consumers have the lowest weekly household discretionary income of any UK region at £115 in Q1 2020 compared to £216 in the UK as a whole”.⁴² They explained that any increases in food prices would be “devastating” for the lowest earning quarter of the population, who with an average weekly discretionary income of -£8.69 a week, already have to “take out loans or use overdrafts to pay for essential goods and services”.⁴³ They added that any increase in food prices “will push those households into further debt”.⁴⁴

The British Veterinary Association (BVA) highlighted possible impacts for animal welfare as well as food costs: “These additional checks, alongside other trade requirements (e.g. customs checks) could add considerable time to journeys, which may be detrimental to animal welfare, in the case of live animals, or to the shelf life of products of animal origin.”⁴⁵

NOAH told the Committee that the availability of veterinary medicinal products on the Northern Ireland market could be affected if there was an increased regulatory and administrative burden, including due to customs processes, under the Protocol. they suggested that “any limitations on availability of products in this manner could adversely affect animal health and welfare in NI”.⁴⁶

³⁷ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

³⁸ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

³⁹ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁴⁰ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁴¹ Written evidence from The Consumer Council ([NIP0014](#))

⁴² Written evidence from The Consumer Council ([NIP0014](#))

⁴³ Written evidence from The Consumer Council ([NIP0014](#))

⁴⁴ Written evidence from The Consumer Council ([NIP0014](#))

⁴⁵ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁴⁶ Written evidence from National Office of Animal Health (NOAH) ([NIP0013](#))

What assessment has the Government made of the impact of additional checks and controls on the Northern Ireland agrifood sector if there is no UK-EU free trade agreement in place at the end of the transition period? We strongly recommend that you take into account the potential impacts of delays on the value of perishable agrifood goods and animal welfare.

What is your assessment of the likely impact on Northern Ireland household finances if the full range of checks and controls are introduced, in the absence of a UK-EU free trade agreement, at the end of the transition period?

What plans do you have to mitigate the potential impacts on the agrifood sector and household finances in Northern Ireland?

Sanitary and phytosanitary (SPS) measures

The Government confirmed in the May 2020 Command Paper on the Protocol:

“Agri-food goods entering Northern Ireland from Great Britain would do so via a Border Inspection Post or Designated Point of Entry as required by EU law, building on the provisions that already exist to support the SEU [Single Epidemiological Unit].⁴⁷ They would be subject to identity and documentary checks and physical examination by UK authorities as required by the relevant EU rules.”⁴⁸

The BVA explained: “Where third countries export into the EU, EU Law requires animals and products of animal origin to enter via a designated border control post for documentary, identity and physical checks by vets.”⁴⁹ The Andersons Centre told the Committee that in the absence of a UK-EU agreement, these checks would be at default levels specified for each product group by the EU.⁵⁰ The FTA highlighted the costs associated with these checks: “Typical costs charged by the EU at present are €7 for documentation to be checked, €7 for the Identification check of the load and €55 administration for a load up to 6,000kgs or €9 per 1,000kgs when over 6,000kgs.” They added that the rate of physical inspections - determined according to the risk associated with different categories of products - are livestock being checked at a 100% rate, meat and poultry at 30%, and dairy and other meats at 15%. The FTA emphasised that “with over 425,000 lorries entering NI Ports every year, this will lead to considerable administration, checks and inevitable costs for businesses”.⁵¹

While some checks and controls are already in place due to the current treatment of the island of Ireland as a Single Epidemiological Unit (SEU), the BVA told the Committee that many

⁴⁷ The term ‘Single Epidemiological Unit’ does not appear to be defined in EU law, though both the UK and EU have used it in reference to the island of Ireland to indicate that a common approach is taken for the management of animal and plant diseases.

⁴⁸ Page 13 of the Government’s recent Command Paper on the Protocol, which is available here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/886289/2020-05-20_Command_Paper_UK_s_Approach_to_the_Northern_Ireland_Protocol-gov.uk.pdf

⁴⁹ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁵⁰ Written evidence from Andersons Centre ([NIP0012](#))

⁵¹ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

more will be required under the Protocol: “The volume of additional products which may require checks will be much greater than the current volume of live animals.”⁵²

The BVA explained that from January 2021 there will be increased demand for veterinary certification for goods moving from the rest of the UK to the EU and the rest of the UK to Northern Ireland, but warned that “UK veterinary practices are already experiencing difficulties recruiting”.⁵³ They added: “The NI veterinary workforce is heavily dependent on EU vets”, and said that “[the] new immigration system leaves a big question mark over whether the profession will be able to fill the workforce gap created by the end of free movement when we are already struggling”.⁵⁴

The Government acknowledged in the May 2020 Command Paper that expanded infrastructure would be needed at some entry points “for the purpose of agri-food checks and assurance”.⁵⁵ On the designation of Border Control Posts, which requires European Commission approval, the Government has said that “at a minimum we expect to request additional categories of commodities at Belfast Port, and to designate Larne Port for live animal imports”.⁵⁶

On the expansion of infrastructure, Larne Harbour Ltd, which owns and administers Larne Port, told the Committee: “P&O Ferries [the ultimate parent undertaking] and Larne Harbour Ltd welcome the proportionate approach being advocated by [the] Protocol. In particular, we welcome proposals that existing facilities for agri-food goods in Larne will be adapted”.⁵⁷ With a more pressing tone, the FTA explained to the Committee: “We will need whole new infrastructure at Belfast and Warrenpoint Ports in time for implementation planned for 1st January 2021.”⁵⁸

The Committee note that Northern Ireland’s Department for Agriculture, Environment and Rural Affairs officials told the Northern Ireland Assembly’s Committee for Agriculture, Environment and Rural Affairs that for the development and designation of Border Inspection Posts “the timelines mean that this process will be hugely challenging, and it will not be smooth”.⁵⁹

One of the documents that will be required from January 2021 under the new SPS requirements is an Export Health Certificate, as the BVA also set out: “Exporters will require an Export Health Certificate (EHC) signed by an Official Veterinarian (OV) to transport animals, germplasm and products of animal origin from Great Britain to the EU Single Market.”⁶⁰ The BVA highlighted that products of animal origin include composite products like pizzas, quiches and pet food, which “may require multiple EHCs to provide an audit trail of

⁵² Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁵³ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁵⁴ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁵⁵ Page 13 of the Government’s recent Command Paper on the Protocol

⁵⁶ Page 13 of the Government’s recent Command Paper on the Protocol

⁵⁷ Written evidence from Larne Port ([NIP0003](#))

⁵⁸ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

⁵⁹ Page 3, Dr Denis McMahon, Department of Agriculture, Environment and Rural Affairs, giving evidence to the Committee for Agriculture, Environment and Rural Affairs, on ‘the Implementation of the Protocol on Ireland/Northern Ireland’. Official Report (Hansard) available at: <http://data.niassembly.gov.uk/HansardXml/committee-22468.pdf>

⁶⁰ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

each individual ingredient”.⁶¹ The NIRC and NIGTA both highlighted that Export Health Certificates can cost £200.⁶²

Considering measures that lead to additional compliance costs, the NIRC singled out the Export Health Certificates, pre-notifications to Border Inspection Posts and veterinary checks for products of animal origin, and concluded: “The compliance, administrative, logistical and financial impact is likely to be significant on any retailer moving agri-food products from GB to NI.”⁶³

While some parts of the Northern Ireland agrifood sector have an understanding of the requirements under EU law for SPS checks and processes, little detail has been released by the Government on how these will be implemented. For example, the NIRC highlighted the continuing uncertainty by posing three key questions on the movement of goods between the rest of the UK and Northern Ireland: “What documents will be required, at what cost, and how administered? ... How will these processes work in practice? ... What systems will be set-up to allow these processes, and when?”⁶⁴ In addition to this lack of clarity on the Government’s approach, Professor Joseph McMahon from University College Dublin explained to the Committee that the EU “may well seek more substantive implementation of the Protocol than that suggested by the Government”.⁶⁵

The Food Standards Agency (FSA) – which is the non-ministerial Government department responsible for the safety of food and feed across England, Wales and Northern Ireland, with responsibility for public health checks on high risk food not of animal origin and products of animal origin – told the Committee they “will actively seek to simplify and minimise electronic documentary requirements for this trade and that any notification requirements would be ideally performed through an integrated EU-UK IT system”.⁶⁶

Two witnesses suggested that there will be a need to balance an objective of ensuring new checks and processes do not impede the flow of goods with avoiding a situation where the integrity of produce coming from Northern Ireland is in doubt. NIFDA argued that “frictionless flows must not come at the cost of integrity ... It is important that the conditions do not allow latitude for criminals to undermine this integrity”.⁶⁷ The Andersons Centre said that if issues around integrity arose due to insufficient controls, then “this could contribute negatively to the overall demand for NI produce”.⁶⁸

⁶¹ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁶² Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#)) and Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

⁶³ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁶⁴ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁶⁵ Written evidence from Professor Joseph McMahon ([NIP0019](#))

⁶⁶ Written evidence from Food Standards Agency (FSA) ([NIP0017](#))

⁶⁷ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

⁶⁸ Written evidence from Andersons Centre ([NIP0012](#))

What steps is the Government taking to ensure that there will be enough vets to meet the increased demand for veterinary certification of goods moving from the rest of the UK to Northern Ireland? Have you accounted for this increased demand for the profession in the design of its new immigration system? What assessment have you made of whether a shortage of vets could affect the flow of goods between the rest of the UK and Northern Ireland from 1 January 2021? We urge that you give detailed consideration to this issue and the range of possible mitigations.

What support are you providing to the Northern Ireland Executive and delivery partners to deliver the development and designation of Border Inspection Posts? When do you expect to provide more information on which Border Inspection Posts particular goods can enter through? It is imperative that businesses have clarity on this point as soon as possible.

What assessment have you made of other infrastructure investments that will be required, for example for road improvements, and the time needed to deliver these? We strongly recommend that you consider the range of infrastructure investments that will support the continued flow of goods.

While we welcome the Government's May 2020 Command Paper as far as it goes, we are concerned by the continuing uncertainty over how the SPS requirements of the Protocol will be implemented. When will you provide more detail on how the SPS processes work in practice?

We urge you to devote special attention to the particular challenges that our witnesses highlighted:

- a) ensuring streamlined administrative processes (especially to address the complexities of composite products);
- b) reducing the risk of delays due to checks at border inspection posts;
- c) ensuring that any delays do not negatively impact on the value of perishable goods, or on animal welfare;
- d) reducing the cost of export health certificates; and
- e) ensuring that the integrity of agrifood circulating in Northern Ireland is protected.

We would be grateful for confirmation of the measures that you are considering to reduce the burden of new SPS requirements on businesses transporting relevant products between the rest of the UK and Northern Ireland, including specific actions addressing the list of challenges above.

SPS issues for the seafood sector

Representatives of the seafood industry were especially concerned about some of the new requirements expected under the Protocol. Denholm Fishselling Limited said that "the main direction of fish movement is between Great Britain and NI: the Protocol may increase,

rather than resolve, difficulties for the main area of business for the NI fisheries/seafood sector”.⁶⁹

Denholm Fishselling Limited explained that the requirement for an export health certificate (as well as a catch certificate) for fish being transported from Scotland through Northern Ireland to Ireland could be particularly problematic. They described the challenges:

“A veterinary official would be required to sign the EHC [export health certificate] as fish is loaded onto a lorry, which normally takes place during anti-social hours and under extreme time pressure due to the perishability of the product. ... An average daily load of fifty pallets, on two trucks, may be collected from twelve different locations and sources, and may include quantities as small as two tubs of scallops.”⁷⁰

Seafish, which is a non-departmental public body that supports the UK seafood industry, agreed that seafood operations would face additional complexity with the requirement for export health certificates. They said this was because “seafood consignments typically consist of a number of different species, which are caught by different vessels operating in different catch areas; which mean that a high number of export certificates will be required”.⁷¹

Whitby Seafoods move fresh and chilled produce from Great Britain to Northern Ireland and from Northern Ireland to Great Britain at different stages of processing. They explained that if, as a result of SPS and other checks and processes, the movement of products “was to be hindered to such an extent that we couldn’t ship fresh, we would require £1m+ investment and increased ongoing overheads to allow transfer to happen in frozen state, rather than fresh”.⁷²

What new requirements will the seafood sector who transport produce from the rest of the UK to Northern Ireland need to comply with under the Protocol? What measures are you taking to ensure that the seafood sector can obtain export health certificates with the minimum burden (including costs)?

Impact of standards divergence and trade deals with other partners on the level of checks and Northern Ireland’s position in the UK internal market

Witnesses were concerned that standards could diverge between the rest of the UK and Northern Ireland – particularly if there were not sufficient UK-wide ‘Common Frameworks’⁷³ to manage such divergence – and that this would result in more checks and controls on goods coming from the rest of the UK to Northern Ireland.

Witnesses also stressed that additional checks and controls could be required if the Government agrees trade deals with the rest of the world that permit goods produced to different standards to enter the rest of the UK. In addition, they were concerned that the

⁶⁹ Written evidence from Denholm Fishselling Limited ([NIP0015](#))

⁷⁰ Written evidence from Denholm Fishselling Limited ([NIP0015](#))

⁷¹ Written evidence from Seafish ([NIP0018](#))

⁷² Written evidence from Whitby Seafoods ([NIP0005](#))

⁷³ ‘Common Frameworks’ are being developed by the Government with the devolved administrations to establish common approaches in some areas that are currently governed by EU law, but that are otherwise within areas of competence of the devolved administrations or legislatures.

presence of these goods would undermine their ability to compete in the UK internal market. This last concern is dealt with in this section, but it is also relevant to the Government's commitment to ensure unfettered access for Northern Ireland goods into the UK internal market, which is addressed later.

NIFDA told the Committee: "Small differences in standards could result in lots of checks. Also, if US products come into Great Britain, we can expect the EU to ask for 100% checks on goods coming in."⁷⁴ The UFU suggested that the maintenance of equivalent standards would remove the need for checks: "GB retention of existing/equivalent standards would negate need for checks."⁷⁵ The BVA, while less emphatic, agreed that if a trade deal allowed products produced to different standards to enter the Great Britain market, there was a potential for more checks: "Allowing goods onto the UK market which fail to meet current UK standards of animal health, animal welfare and public health would increase the need for Sanitary and Phytosanitary (SPS) checks on all goods leaving the UK and entering the EU Single Market ... these same checks would potentially be required for goods moving from Great Britain to Northern Ireland."⁷⁶

NIFDA told the Committee that, with standards divergence, "the UK internal food market is beginning to be disaggregated. This is not in the best interests of consumers who benefit from one UK market."⁷⁷ In a report on the Protocol, the Institute for Government has highlighted that if Scotland or Wales decided to raise their standards above what is required by EU regulations, this could result in additional processes on goods coming from Northern Ireland into those jurisdictions.⁷⁸ The UFU said that they hoped Common Frameworks would deliver "little if any divergence between GB and NI standards and tariffs."⁷⁹ NIRC asked: "Will there be mechanisms in place to manage regulatory divergence over time?"⁸⁰ Dr. Mary Dobbs and Dr. Viviane Gravey, from Queen's University Belfast, stressed the importance of Common Frameworks, but emphasised that "care would need to be taken in how these are created and their nature – they should not simply be created and imposed by the UK Government on the entirety of the UK".⁸¹

NIFDA told the Committee that a trade deal with the US and others could undermine standards in the Great Britain market and make it more challenging for Northern Ireland producers to compete. They added: "This would have disastrous consequences for Northern Ireland. The impacts would be especially significant in red meat and dairy sectors."⁸² The UFU said that one of the challenges for Northern Ireland accessing the rest of the UK internal market was "access by external imports into GB".⁸³ The Northern Ireland Agricultural Producers Association (NIAPA) said that cheaper imports would "cause

⁷⁴ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

⁷⁵ Written evidence from Ulster Farmers' Union (UFU) ([NIP0006](#))

⁷⁶ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁷⁷ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

⁷⁸ Page 57, the Institute for Government's report, 'Implementing Brexit: The Northern Ireland protocol', available at: <https://www.instituteforgovernment.org.uk/sites/default/files/publications/implementing-brexit-northern-ireland-protocol.pdf>

⁷⁹ Written evidence from Ulster Farmers' Union (UFU) ([NIP0006](#))

⁸⁰ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁸¹ Written evidence from Dr. Mary Dobbs and Dr. Viviane Gravey ([NIP0016](#))

⁸² Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

⁸³ Written evidence from Ulster Farmers' Union (UFU) ([NIP0006](#))

displacement for our produce and have a severe negative impact on our industry”.⁸⁴ Dr. Mary Dobbs and Dr. Viviane Gravey said that this situation could “place NI farmers at a competitive disadvantage if they maintain or enhance their standards, thereby creating a practical barrier to access [to the rest of the UK market] even if not a legal one”.⁸⁵

On 29 June 2020, Liz Truss, Secretary of State for International Trade, published a letter to Minette Batters, the National Farmers Union (NFU) President, announcing that the Government agreed in principle to establishing a Trade and Agriculture Commission and implying that this Commission would be used by the Government to engage the agriculture industry on trade policy.⁸⁶

What is the status of the agrifood-related Common Frameworks? Will the Government commit to publishing an assessment of the impact of divergence in food standards between the rest of the UK and Northern Ireland, including on the need for checks and controls between the two markets, when proposing new standards for England? How are the concerns of the sector regarding regulatory divergence being reflected in the development of the relevant Common Frameworks?

How are the concerns of the sector regarding their compromised competitive position being reflected in the Government’s trade policy in relation to agrifood? Will the Government’s new Trade and Agriculture Commission be open to the Northern Ireland agrifood organisations from which we heard evidence?

What other elements have you identified, in addition to ensuring no physical impediments to goods moving from Northern Ireland to the rest of the UK, to sustain the UK internal agrifood market, particularly with regard to standards and fair conditions for competition across the UK and with international partners? We strongly recommend that you consider the different conditions required to secure Northern Ireland’s place in the UK internal market beyond the absence of physical impediments.

Reducing the need for new SPS checks and processes

Witnesses suggested that the level of SPS checks and processes required between the rest of the UK and Northern Ireland could be reduced significantly by a UK-EU agreement on certain issues, a period of SPS alignment between the UK and EU and the use of e-certification and residue sampling at source.

NIGTA argued that “SPS alignment [between the UK and EU] is essential to support the free flow of GB goods to NI”, suggesting that this was most important for the arable, red meat and poultry sub-sectors, and that a period of alignment at the least could allow “the Arable sector [to adapt] to any divergences planned”.⁸⁷

⁸⁴ Written evidence from Northern Ireland Agricultural Producers Association (NIAPA) ([NIP0007](#))

⁸⁵ Written evidence from Dr. Mary Dobbs and Dr. Viviane Gravey ([NIP0016](#))

⁸⁶ At the time of writing, the letter was only available on the twitter webpage of Liz Truss: <https://twitter.com/trussliz/status/1277552233224290304/photo/1>

⁸⁷ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

The Government's referred to "relevant electronic processes" in connection with agrifood movements in the May 2020 Command Paper.⁸⁸ The Andersons Centre suggested that e-certification and residue sampling at source "greatly reduces the administration time involved and the risk of losing documents in transit".⁸⁹

The BVA explained: "A veterinary agreement could be reached between the UK and EU, similar to that between the EU and New Zealand, which could significantly reduce the level of physical checks."⁹⁰ The Andersons Centre agreed, and said that with a regulatory equivalence agreement in place similar to the veterinary agreement between the EU and New Zealand, "SPS-related physical checks could be as low as 1% for red meat (vis-à-vis the 20% default)".⁹¹ The NIRC also suggested that "an agreement on mutual recognition of product standards and regulations will be crucial to avoiding burdensome health or veterinary checks".⁹² The FSA also told the Committee that "a UK-EU free trade agreement could reduce the frequency of identity, documentary and physical checks on food and feed entering NI from GB".⁹³

The Government is seeking to include mechanisms similar to those in the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and the EU-New Zealand veterinary agreement in the UK-EU future relationship, including reciprocal equivalence in certain commodities, specified levels of check and fees applicable and reduced levels for relevant agri-food goods.⁹⁴

We note that the Government's proposed text includes mechanisms like those in CETA and the New Zealand veterinary agreement which could reduce the need for checks between the rest of the UK and Northern Ireland. We stress that such mechanisms should be considered a crucial part of the UK-EU agreement. What progress has been made in the discussion of these proposals with the EU? Which agrifood products are you prioritising for reciprocal equivalence? Has reducing checks and processes for these goods moving between the rest of the UK and Northern Ireland been a dominant factor in that prioritisation? We urge you to give appropriate weight to this objective in your negotiating priorities.

Have you made an assessment of the impacts of a failure to secure an SPS agreement with the EU by the end of the transition period for the Northern Ireland agrifood sector and food prices?

⁸⁸ Page 13 of the Government's recent Command Paper on the Protocol

⁸⁹ Written evidence from Andersons Centre ([NIP0012](#))

⁹⁰ Written evidence from British Veterinary Association (BVA) ([NIP0009](#))

⁹¹ Written evidence from Andersons Centre ([NIP0012](#))

⁹² Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁹³ Written evidence from Food Standards Agency (FSA) ([NIP0017](#))

⁹⁴ Pages 8-9 of the Government's 'The Future Relationship with the EU: The UK's Approach to Negotiations', available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/868874/The_Future_Relationship_with_the_EU.pdf and see pages 7-81 of the Government's 'Draft UK-EU Comprehensive Free Trade Agreement (CFTA)', available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/886010/DRAFT_UK-EU_Comprehensive_Free_Trade_Agreement.pdf

What electronic processes are you considering as part of the SPS checks and controls, and do these include the use of e-certification and residue sampling? When will businesses be consulted on these measures?

Customs (including duties)

The Protocol requires the UK to apply EU customs rules, including by charging EU tariffs, to goods entering Northern Ireland from the rest of the UK and from other countries outside of the EU which are considered to be at risk of onward movement into the EU.

The NIRC told the Committee that determining what goods are ‘at risk’ of onward movement into the EU “must be defined very quickly in the withdrawal process”.⁹⁵ It is worth noting that, in practice, the Joint Committee is required to define what is not ‘at risk’, with ‘at risk’ being the default status. The NIRC added that businesses should be given access to the Joint Committee, which will agree on this definition, to support an informed decision.⁹⁶ On the definition of ‘at risk’, NIGTA asked: “is there a percentage of volume considered de minimis by the Committee? ... Is there a value considered de minimis[?]”⁹⁷ NIGTA were concerned that some of their products which are transported from the rest of the UK and processed in Northern Ireland may be technically ‘at risk’ according to the criteria in the Protocol, but are not all moved onward into the EU subsequently.⁹⁸

Under the Protocol, businesses bringing products into Northern Ireland could be required to pay tariffs upfront, which, in certain circumstances, would later be refunded. The NIRC told the Committee that “tariffs, the payment of tariffs and the reclaiming of tariffs is of huge concern”.⁹⁹ The Andersons Centre explained that the red meat and poultry supply chains in particular could face “significant cash flow problems if a deferred payment system is not put in place”.¹⁰⁰ They explained that these products carry high tariffs and the Northern Ireland processors depend on significant inputs from the rest of the UK at certain times of year. For the cereal sector, NIGTA estimated that the arrangement “creates a working capital burden for the sector of circa £15 million at any given time”.¹⁰¹ NIMEA also said that the cashflow requirement for meat processors could be significant, estimating a working capital cost of between £6.4 million and £19.2 million depending upon the length of delay to receive refunds.¹⁰² Whitby Seafoods said that if there were tariffs payable on the raw material that they ship from the rest of the UK to Northern Ireland, this “may fundamentally affect our ability to continue with our NI business”.¹⁰³

In the May 2020 Command Paper the Government said that it “will make full use of the provisions in the Protocol giving us the powers to waive and/or reimburse tariffs on goods

⁹⁵ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁹⁶ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

⁹⁷ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

⁹⁸ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

⁹⁹ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁰⁰ Written evidence from Andersons Centre ([NIP0012](#))

¹⁰¹ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

¹⁰² Written evidence from the Northern Ireland Meat Exporters Association (NIMEA) ([NIP0011](#))

¹⁰³ Written evidence from Whitby Seafoods ([NIP0005](#))

moving from Great Britain to Northern Ireland, even where they are classified as ‘at risk’ of entering the EU market”.¹⁰⁴

Customs arrangements also bring other costs. The NIRC noted that entry summary declarations can cost £15-£65.¹⁰⁵ They also said that rules of origin and export control certificates may both be required. NIGTA told the Committee that it expected “a burden to NI business of £20-£50 for customs per consignment”, including the costs of paperwork, training and investment in IT systems.¹⁰⁶

Witnesses were concerned about the lack of clarity on the precise customs processes to be implemented. The NIRC asked how tariff refunds would be processed to reduce cashflow issues and absolute costs, what the timeline for processing refunds would be, what evidence would be required to prove goods have remained in Northern Ireland and exempt from the ‘at risk’ requirements, and what the dispute resolution process for rejected/queried refunds would be.¹⁰⁷ NIFDA agreed that a dispute resolution process would be required.¹⁰⁸ NIGTA asked who would reclaim rebates where applicable and what evidence would be required that goods had stayed in Northern Ireland.¹⁰⁹ The Andersons Centre asked what arrangements would be in place for goods transports from Great Britain to Northern Ireland via Dublin.¹¹⁰

Larne Harbour Ltd told the Committee: “we urgently need to see the proposals for new administrative customs processes for traders, notably new electronic import declaration requirements and safety and security information, for goods entering Northern Ireland from Great Britain.”¹¹¹

Witnesses proposed solutions to customs-related issues. NIGTA and the Andersons Centre both suggested a deferred payment system.¹¹² The NIRC suggested that “we need to look at schemes to mitigate the need for checks such as AEO [authorised economic operator] and trusted trader but such schemes take time to implement”.¹¹³

As with other areas, an agreement between the UK and EU could reduce the need for some customs checks and processes. NIRC said that “we also need a system of mutual recognition with the EU on customs “fast track” systems (AEO) to help with coordination”,¹¹⁴ and posed the question: “Will there be a safety and security agreement removing the need for entry and exit summary declarations between Great Britain and Northern Ireland?”¹¹⁵ The

¹⁰⁴ Page 12 of the Government’s recent Command Paper on the Protocol

¹⁰⁵ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁰⁶ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

¹⁰⁷ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁰⁸ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

¹⁰⁹ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

¹¹⁰ Written evidence from Andersons Centre ([NIP0012](#))

¹¹¹ Written evidence from Larne Port ([NIP0003](#))

¹¹² Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#)) and Andersons Centre ([NIP0012](#))

¹¹³ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹¹⁴ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹¹⁵ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

Government has proposed mutual recognition of authorised economic operator programmes as part of the UK-EU free trade agreement.¹¹⁶

The Andersons Centre also mentioned the possibility that a UK-EU agreement could remove the need for exit summary declarations on goods moving from Northern Ireland to the rest of the UK, and added that a comprehensive UK-EU free trade agreement, including zero tariffs and zero quotas for agrifood products, could address tariff issues on trade between the UK and EU. They said that it “would also help to reduce the amount of customs formalities as one of the two reasons why customs checks are undertaken is to verify whether the correct import duty has been applied”.¹¹⁷ While the Political Declaration refers to a zero tariff, zero quota agreement,¹¹⁸ the Government has recently suggested the possibility of moving away from a zero tariff, zero quota UK-EU agreement as an alternative to the EU’s level playing field provisions.¹¹⁹

How are you incorporating the views of business in your policy-development on the definition of products that are not ‘at risk’ of onward movement? When do you expect this definition to be adopted by the Joint Committee, and will businesses be invited to the Joint Committee’s supporting bodies to support preparatory work on the ‘at risk’ definition? We strongly recommend that you undertake a detailed consultative exercise with businesses from across supply chains to inform the development of this definition.

The Government said that it will waive and/or reimburse tariffs on goods moving from the rest of the UK to Northern Ireland, even where they are classified as ‘at risk’ of entering the EU market. How will these processes operate for goods considered at risk and not at risk?

Given the significant working capital burden that would be required, is the Government considering a deferred payment system for goods where the final destination cannot be proved at the point of entry to Northern Ireland from the rest of the UK? We urge you to engage closely with businesses as you develop this policy, given their significant concerns.

When do you expect to be able to provide more information on the precise customs processes that relate to agrifood which will be in place at the end of the transition period? There is an urgent need to clarify this.

¹¹⁶ Pages 90-91 of the Government’s ‘Draft UK-EU Comprehensive Free Trade Agreement (CFTA)’

¹¹⁷ Written evidence from Andersons Centre ([NIP0012](#))

¹¹⁸ The Political Declaration is available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840656/Political_Declaration_setting_out_the_framework_for_the_future_relationship_between_the_European_Union_and_the_United_Kingdom.pdf

¹¹⁹ For example see Q6, available at: <https://committees.parliament.uk/oralevidence/439/pdf/>

We note that the Government has proposed mutual recognition of authorised economic operator programmes as part of the UK-EU free trade agreement. Has progress been made on this point with the EU? Do you expect to agree a safety and security agreement with the EU that would remove the need for entry and exit summary declarations?

Have you assessed the impact of moving away from a zero tariff zero quota UK-EU agreement – which you have recently suggested as an alternative to the EU’s level playing field proposals – on the need for controls between the rest of the UK and Northern Ireland?

Northern Ireland’s position in UK and EU free trade agreements with other countries

Alongside the practicalities of how the customs arrangements would operate under the Protocol, witnesses were concerned about the impacts of full tariffs being applied to their goods destined for the EU single market if there is no UK-EU free trade agreement at the end of the transition period, and sought clarity on Northern Ireland’s position in relation to the UK and EU’s free trade agreements with the rest of the world.

NIGTA were concerned about what would happen to trade with Ireland if, in the absence of a UK-EU free trade agreement, tariffs were applied to products made in Northern Ireland with a significant proportion of ingredients from the rest of the UK: “Current trade flows would see 150k tonnes of compound feed produced in NI and potentially incorporating grains from the UK delivered to farms in ROI. Tariffs applied to this trade would render the product uncompetitive and could result in supply problems for intensive livestock units in the border counties of ROI.”¹²⁰

On Northern Ireland’s position in relation to UK and EU trade policy and agreements, NIGTA asked under which circumstances Northern Ireland could utilise the UK’s tariff rate quotas (TRQs)¹²¹ or the EU’s.¹²² NIGTA have one member who exports globally on the basis of the EU’s free trade agreements and asked: “Can trade continue on these terms and arrangements?”¹²³ The NIRC asked: “What about NI goods going to ROI for manufacture and onward sale to the Rest of the World through contracts that are currently undertaken through EU FTAs?”¹²⁴ They highlighted that there was a potential issue with rules of origin here, and added that, if this were not to be resolved: “There is a good possibility that ROI companies will cease taking NI product which would in some industries, such as dairy, leave a huge deficit.”¹²⁵

Have you assessed the impact of tariffs applied in the absence of a UK-EU trade agreement on products being traded from Northern Ireland to Ireland which incorporate components from the rest of the UK?

¹²⁰ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

¹²¹ A tariff-rate quota is “a limit on the quantity eligible for lower duty”. Definition from: <https://tradebetablog.wordpress.com/2018/09/08/beginners-guide-tariff-quotas/>

¹²² Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

¹²³ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

¹²⁴ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹²⁵ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

When will you provide clarity on Northern Ireland’s position in relation to the UK and EU’s free trade agreements with the rest of the world, including tariff rate quotas? Have you assessed the potential impact on the Northern Ireland agrifood sector if rules of origin issues are not resolved?

Specific issues for veterinary medicines, including in the absence of a UK-EU future relationship

We have noted the different ways that a UK-EU agreement could reduce the checks and processes required on goods moving from the rest of the UK to Northern Ireland and mitigate other issues related to tariffs and rules of origin. The veterinary medicines industry explained that a UK-EU agreement was also necessary to ensure supply of their products to the rest of the UK and Northern Ireland could continue.

NOAH explained that “the majority of VMPs [veterinary medicinal products] and feed additives are imported, many of them from the EU”.¹²⁶ They said that in the absence of a UK-EU agreement at the end of the transition period, “supply chain problems could lead to problems with the availability of VMPs and feed additives”.¹²⁷ NOAH added that “a free trade agreement that included mutual recognition agreements for various aspects of veterinary medicinal products such as compliance with inspections and batch release recognition could also help to reduce the negative impacts”.¹²⁸

NOAH also said that there was specific information that the veterinary medicines sector needed more generally: “Clarity is needed on the way in which animal health companies will be required to register and maintain authorisations for VMPs. For example, will the UK regulator [the Veterinary Medicines Directorate] operate separate GB and NI (following EU rules) regulatory systems.”¹²⁹

The first reading of the Government’s Medicines and Medical Devices Bill 2019-21 took place in the House of Lords on 24 June 2020.¹³⁰ This Bill includes some provisions on veterinary medicines.

What steps are you taking to ensure that the supply of veterinary medicinal products to the rest of the UK and Northern Ireland will not be interrupted in the absence of a UK-EU agreement at the end of the transition period? Could you include additional measures in the Medicines and Medical Devices Bill 2019-21 with this purpose?

¹²⁶ Written evidence from National Office of Animal Health (NOAH) ([NIP0013](#))

¹²⁷ Written evidence from National Office of Animal Health (NOAH) ([NIP0013](#))

¹²⁸ Written evidence from National Office of Animal Health (NOAH) ([NIP0013](#))

¹²⁹ Written evidence from National Office of Animal Health (NOAH) ([NIP0013](#))

¹³⁰ The Bill can be accessed at: <https://services.parliament.uk/bills/2019-21/medicinesandmedicaldevices.html>

Unfettered access for goods moving from Northern Ireland to the rest of the UK

Unfettered access

The Government has committed to legislating by 1 January 2021 “to guarantee unfettered access for Northern Ireland’s businesses to the whole of the UK internal market”.¹³¹ NIAPA highlighted to the Committee that “almost 60% of our food produce [is] exported to mainland GB”,¹³² underlining the importance of Northern Ireland’s access to the UK internal market. The situation is similar for seafood, as ANIFPO explained: “The main market for seafood landed into Northern Ireland is Great Britain. 60% of fish and shellfish landed into Northern Ireland is destined for GB.”¹³³

Witnesses told the Committee that there were some key definitions that would be fundamental to delivering unfettered access in practice. The NIRC explained that “there is a risk of being caught outside the edge of both the GB and the EU markets unless the definitions of ‘unfettered access’ and ‘NI qualifying goods’ are handled very carefully and based on evidence”.¹³⁴ The UFU agreed that the definitions of unfettered access, qualifying status and also origin labelling requirements were important.¹³⁵ NIMEA also stressed that qualifying goods needed to be defined carefully, balancing the need to protect the integrity of the Northern Ireland market with avoiding delays and fetters on Northern Ireland trade with the rest of the UK.¹³⁶

The Andersons Centre highlighted one of the challenges in this area. They explained that if there were goods finished in Northern Ireland for sale in the rest of the UK which were not ‘qualifying goods’, due to rules of origin limits, “these products would either have to change their inputs’ content or be subject to tariffs on the proportion of goods deemed ineligible for the UK market”.¹³⁷ NIRC asked whether products made in Northern Ireland using raw material from Ireland would be considered qualifying goods: “What about RoI primary produce where the final products manufactured in NI are mainly sold on into GB and Rest of World?”¹³⁸ The NIRC suggested that “the definition of Qualifying Good needs to protect all-island supply chains (ROI > NI > GB)”.¹³⁹ They also asked: “What checks will be used to ensure that only NI-defined goods enter GB with unfettered access?”¹⁴⁰

Witnesses raised the question of exit summary declarations, as already noted in our discussion of the customs arrangements above. The NIRC raised multiple questions about how exit summary declarations for goods moving from Northern Ireland to the rest of the UK would work if the UK Government “fails to have the requirement for exit summary declarations lifted on NI-GB movement”.¹⁴¹ The Government has argued that exit summary

¹³¹ Page 7 of the Government’s recent Command Paper on the Protocol

¹³² Written evidence from Northern Ireland Agricultural Producers Association (NIAPA) ([NIP0007](#))

¹³³ Written evidence from Anglo-North Irish Fish Producers Organisation (ANIFPO) ([NIP0008](#))

¹³⁴ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹³⁵ Written evidence from Ulster Farmers’ Union (UFU) ([NIP0006](#))

¹³⁶ Written evidence from the Northern Ireland Meat Exporters Association (NIMEA) ([NIP0011](#))

¹³⁷ Written evidence from Andersons Centre ([NIP0012](#))

¹³⁸ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹³⁹ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁴⁰ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁴¹ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

declarations should not be required,¹⁴² but they are a requirement under the EU's customs rules.¹⁴³

In connection with unfettered access, the FSA told the Committee that “where NI traders gain product approvals and certification for the NI market from EU authorities and bodies, the UK will recognise those for the purpose of facilitating unfettered access to the GB market”.¹⁴⁴ They added that they “believe that consumers across the UK are best served by as consistent a regulatory approach as possible across the four countries”.¹⁴⁵

Witnesses said that it would be important that the Protocol arrangements did not undermine the reputation of Northern Ireland produce, including its recognition as British in the wider UK internal market. The Andersons Centre explained that “there are concerns around the extent to which Northern Irish produce will be considered as “British” in the future. Domestic produce is highly valued by some UK consumers and if Northern Irish produce is considered to be distinct to other domestic produce, this could undermine its competitiveness in the UK market”.¹⁴⁶ The NIRC and NIFDA both agreed.¹⁴⁷

What work is the Government undertaking on the definitions of unfettered access, qualifying status and origin labelling requirements, and how are the views of Northern Ireland agrifood businesses being accommodated in this work? How will the definition of qualifying status take into account all-island supply chains? We strongly recommend that you undertake a detailed consultative exercise with businesses from across supply chains to inform the development of these definitions.

We understand that the Government has argued that exit summary declarations will not be necessary. What steps have you taken to ensure that the EU understand the rationale for this position?

Specific issues for the seafood sector in the implementation of the Protocol

Specific issues for seafood

While the seafood sector is affected by some of the issues already covered, including SPS processes as we have discussed, there are also specific issues for the sector in the implementation of the Protocol.

ANIFPO explained that the Protocol “does not extend to the territorial waters of the United Kingdom”.¹⁴⁸ They added that there was a lack of clarity on what would happen to

¹⁴² Page 10 of the Government's recent paper on the Protocol

¹⁴³ Article 271 of the Union Customs Code states that, unless certain other declarations are required, exit summary declarations must be provided to the customs office of exit: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013R0952-20200101>

¹⁴⁴ Written evidence from Food Standards Agency (FSA) ([NIP0017](#))

¹⁴⁵ Written evidence from Food Standards Agency (FSA) ([NIP0017](#))

¹⁴⁶ Written evidence from Andersons Centre ([NIP0012](#))

¹⁴⁷ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#)) and Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

¹⁴⁸ Written evidence from Anglo-North Irish Fish Producers Organisation (ANIFPO) ([NIP0008](#))

seafood landed in Northern Ireland by UK fishing vessels (including those based in Northern Ireland):

“A strict interpretation of the Protocol suggests such seafood could be subject to tariffs ... There remains debate as to whether Northern Ireland fishermen might be required to submit documentation such as Catch Certificates when they land their catches into Northern Ireland ... A strict interpretation foresees seafood harvested by Northern Ireland fishermen, in Northern Ireland registered and owned fishing vessels, which is landed into Northern Ireland harbours being subject to the same rules as though it was seafood landed from a third country into the EU’s [single] market.”¹⁴⁹

Seafish also highlighted the lack of clarity for seafood landed in Northern Ireland by UK fishing vessels, and emphasised that delays would be challenging to manage given the perishability of the product.¹⁵⁰

ANIFPO noted, especially in connection with the applicability of tariffs, that “we are advised this is not the intention and discussions within the United Kingdom and with the Joint Committee are ongoing to devise a work around that would resolve this anomaly”.¹⁵¹ ANIFPO said that if there were quantitative restrictions on the amount of seafood being landed that were exempt from tariffs, “any cap should be future proofed and reflect all quota allocations held by Northern Ireland producers”.¹⁵²

Seafish told us that there was also a specific issue for vessels that land live bivalves (such as oysters, mussels, and scallops). These vessels may no longer be able to land their catches in Northern Ireland under one interpretation of the Protocol arrangements.¹⁵³

Denholms Fishselling Limited were concerned about customs barriers on fish traded between Northern Ireland and Ireland: “The NI catching sector has a fairly low level of interaction with mainland Europe but deals widely with RoI. Therefore, it is important that any future UK-EU relationship ensures free North-South movement of fish without customs barriers.”¹⁵⁴

Denholms Fishselling Limited were also concerned that the Northern Ireland fisheries might be excluded from the wider UK fisheries negotiations: “The greatest ongoing fear for NI fisheries is that we would be excluded from UK negotiations – either actually or on a de facto basis.”¹⁵⁵ They added that “the scenario which would have the most detrimental impact on NI fisheries would be exclusion from the UK Total Allowable Catch (TAC)”.¹⁵⁶

¹⁴⁹ Written evidence from Anglo-North Irish Fish Producers Organisation (ANIFPO) ([NIP0008](#))

¹⁵⁰ Written evidence from Seafish ([NIP0018](#))

¹⁵¹ Written evidence from Anglo-North Irish Fish Producers Organisation (ANIFPO) ([NIP0008](#))

¹⁵² Written evidence from Anglo-North Irish Fish Producers Organisation (ANIFPO) ([NIP0008](#))

¹⁵³ Written evidence from Seafish ([NIP0018](#))

¹⁵⁴ Written evidence from Denholm Fishselling Limited ([NIP0015](#))

¹⁵⁵ Written evidence from Denholm Fishselling Limited ([NIP0015](#))

¹⁵⁶ Written evidence from Denholm Fishselling Limited ([NIP0015](#))

We note that Article 5(3) of the Protocol provides for the Joint Committee to decide the conditions under which fishery and aquaculture products landed in Northern Ireland by UK-flagged vessels registered in Northern Ireland are exempted from duties. What factors will be taken into account in determining these conditions and any quantitative restrictions?

Please clarify the position of seafood landed in Northern Ireland by UK fishing vessels (including those based in Northern Ireland) in relation to other EU requirements, such as catch certificates. Please also clarify the particular situation for vessels that land live bivalves.

How will you seek to mitigate the impact of any requirements on the North-South movement of fish?

Please confirm the position of Northern Ireland fisheries in the Government's negotiations with the EU and other international partners, and explain how the concerns of Northern Ireland fishers will be gathered and taken into account.

Government engagement with Northern Ireland agrifood businesses, and other business concerns

The Government's engagement so far

Witnesses held mixed views on the Government's overall engagement on Brexit, but the key message on Protocol implementation, put forward by the UFU and others, was that "meaningful engagement hasn't really started yet but needs to happen quickly with NI businesses".¹⁵⁷

Necessary engagement, information and support

Witnesses told the Committee that engagement on the implementation of the Protocol needed to increase significantly. The FTA said: "It is vitally important that engagement begins immediately if we are to be ready for implementation on 1st January 2021,"¹⁵⁸ adding: "It is imperative that the business engagement forum begins operating as soon as possible."¹⁵⁹¹⁶⁰

On how engagement could best be conducted and what information businesses needed, witnesses offered a number of suggestions.

¹⁵⁷ Written evidence from Ulster Farmers' Union (UFU) ([NIP0006](#)), NIFDA, the FTA, NIAPA, NOAH and the NIRC agreed

¹⁵⁸ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

¹⁵⁹ The business engagement forum is intended to allow Northern Ireland's businesses to put forward proposals and provide feedback on how to maximise the free flow of trade, and was proposed on page 7 of the Government's recent paper on the Protocol

¹⁶⁰ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

The NIRC called for “clear, operational-level detail as to what changes the Protocol will entail and what businesses need to do in response”.¹⁶¹ They added: “It is not for Business to interpret the Protocol, but for the UK and EU to be clear about what rules apply and how.”¹⁶² NIGTA had a similar message: “NI business needs guidance to manage the new thinking around these issues.” They also asked what support there would be to help businesses understand EU rules: “What provision will there be for NI business to avail of a technical reference point, to help them understand EU rules and enable them to manage trade challenges?”¹⁶³

Larne Harbour Ltd argued that in contrast to relative clarity on EU border operating models, “we do not have the same clarity on the UK’s requirements, specifically for domestic trade to and from Northern Ireland ... We were promised sight of the border operating model by the end of March 2020 and are concerned that we have not yet seen any detail”.¹⁶⁴

Witnesses showed a clear willingness to engage with the Government and develop solutions. NIFDA told the Committee: “NIFDA would very much welcome opportunities to engage with Government Departments.”¹⁶⁵

We welcome the establishment of the business engagement forum. We are however concerned that there has been a lack of meaningful Government engagement on the implementation of the Protocol in recent months. Rushed, last-minute business engagement will not be enough to create effective solutions, given the scale and complexity of this task. How are you stepping up engagement on the implementation of the Protocol? How will you ensure that engagement allows for detailed discussions on potential solutions with Northern Ireland agrifood businesses from across the supply chain? We strongly urge you to allocate significant time and resources to this exercise and to give serious consideration to how engagement can best enable detailed discussions on solutions.

Training and awareness-raising

Witnesses told the Committee that greater efforts were required to ensure that businesses understood the new requirements under the Protocol, including training schemes and awareness-raising campaigns.

Witnesses highlighted that the sector is a mixture of large companies and small and medium-sized enterprises (SMEs), and these measures need to take account of this: “There are 12 large companies representing 40% of sector, and the rest are small and medium-sized enterprises (SMEs).”¹⁶⁶ The Andersons Centre also suggested there is a need for “training on

¹⁶¹ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁶² Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁶³ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

¹⁶⁴ Written evidence from Larne Port ([NIP0003](#))

¹⁶⁵ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

¹⁶⁶ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

new regulatory control procedures: [this] is particularly crucial for SMEs as many will have to undertake customs declarations and other regulatory procedures for the first time”.¹⁶⁷

The NIRC told the Committee that “an education piece needs to be undertaken by government both in NI and GB about what the protocol implementation means in practice, especially for small business”.¹⁶⁸ The FTA said that there had been “limited training provision to date”.¹⁶⁹ NIFDA said that for training, “there is clearly a role for both [the Government and the private sector] with the emphasis moving from government to private sector as the system stabilises”.¹⁷⁰

What plans do you have for training schemes and awareness-raising campaigns to improve the Northern Ireland agrifood sector’s understanding of new requirements under the Protocol? How will you ensure that SMEs are prepared for these requirements by 1 January 2021?

Financial support

Some witnesses suggested that financial support should be available to help businesses cope with the transition. Whitby Seafoods asked for “financial support/grants to support those negatively impacted with investment to mitigate the impact”.¹⁷¹ The NIRC argued for funding and other Government support: “A dedicated Business Transition Fund ... consideration of centrally deployed Government resource (for example veterinary or other staff) that could help businesses complete any formalities without additional costs ... A practical, funded Transport Plan that ensures goods can flow through NI ports without delays or queues.”¹⁷²

The Government announced a £50million support package for the customs intermediary sector as part of its plan for GB-EU border controls.¹⁷³

What assessment have you made of providing financial support to Northern Ireland agrifood businesses to help them cope with the transition to new arrangements under the Protocol?

Will the funding announced for the customs intermediary sector as part of the Government’s plan for GB-EU border controls be extended to Northern Ireland? If so, when will further detail be provided?

¹⁶⁷ Written evidence from Andersons Centre ([NIP0012](#))

¹⁶⁸ Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁶⁹ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

¹⁷⁰ Written evidence from Northern Ireland Food and Drink Association (NIFDA) ([NIP0002](#))

¹⁷¹ Written evidence from Whitby Seafoods ([NIP0005](#))

¹⁷² Written evidence from Northern Ireland Retail Consortium (NIRC) ([NIP0010](#))

¹⁷³ See the news item: ‘Government accelerates border planning for the end of the Transition Period’

The Joint Committee and its supporting bodies

Northern Ireland access to the Joint Committee and its supporting bodies

Witnesses told the Committee that the Withdrawal Agreement Joint Committee and its supporting bodies, which perform important functions for the implementation of the Protocol, should engage with stakeholders.

The UFU asked for “proper engagement with the stakeholders involved and an understanding of their needs/issues”.¹⁷⁴ The FTA agreed.¹⁷⁵

NIRC asked how business will be represented in the Joint Consultative Working Group:

“The protocol commits to the Specialised Committee appointing an expert group [the Joint Consultative Working Group] – how will business be represented on this group? The complexities of the intricate trade between NI, GB and Ireland are not easily understood and business representatives have a sincere motivation to find practical solutions within the protocol.”¹⁷⁶

Will businesses be invited to the Joint Consultative Working Group? Are there other ways that the Joint Committee and its supporting bodies will gather the views of business to inform their work? We urge you to work with the EU to ensure that these structures are open to the views of businesses and other stakeholders.

The Committee continues to take an active interest in these matters and we therefore request to be kept updated on developments. The Committee looks forward to a response by 1 August 2020, given the urgency of these matters. We understand that you will be responding to the EU Select Committee’s report on the Protocol by this date, and trust that coinciding the dates assists in your preparation of a thorough response.



Lord Teverson
Chair of the EU Environment Sub-Committee

Cc the Cabinet Office, Northern Ireland Office, HM Revenue & Customs, the Department for International Trade, and the Committee on the Future Relationship with the European Union

¹⁷⁴ Written evidence from Ulster Farmers’ Union (UFU) ([NIP0006](#))

¹⁷⁵ Written evidence from Freight Transport Association (FTA) ([NIP0001](#))

¹⁷⁶ Written evidence from Northern Ireland Grain Trade Association (NIGTA) ([NIP0004](#))

Annex: Questions and recommendations made throughout the letter requiring a response

Agrifood and the Protocol on Ireland/Northern Ireland

1. It is vitally important that the Protocol be implemented with a careful, considered and well-informed approach, given Northern Ireland's historically fragile political economy, and the interrelation between the arrangements and Northern Ireland's place in the United Kingdom. We strongly recommend that the Government step up its engagement and commence detailed discussions on proposals with Northern Ireland agrifood businesses from across the supply chain, and across all sectors of the Northern Ireland economy.

Importance of the Northern Ireland agrifood sector

2. Given the particular importance of the agrifood sector to the Northern Ireland economy and its significant sales to the rest of the UK, how is the Government taking into account the specific concerns of the sector in the implementation of the Protocol?

The best-case scenario

3. We note support from key organisations in the sector for the Protocol, especially in contrast to the alternative of a 'no deal' exit from the EU, and welcome its successful negotiation, particularly given its purpose to avoid the introduction of a hard border on the island of Ireland. We note that a UK-EU free trade agreement is an important part of the best-case scenario anticipated by several organisations. What are the challenges for the Government in delivering the Protocol arrangements in the absence of a UK-EU free trade agreement? We urge you to take note of the scale of these challenges as you develop your approach to the negotiations with the EU on the future relationship.

Timing and business readiness

4. We note that the Government is staggering the introduction of border controls on Great Britain's border with continental Europe. Given the very challenging timeline to introduce the equivalent Protocol arrangements, are you discussing with the EU pursuing a similar phased approach between Great Britain and Northern Ireland? We urge you to consider doing so, or, if not, to explore other ways to create more time for Protocol implementation.
5. We are concerned that the Government's argument that businesses have had plenty of time to prepare for the end of the transition period will ring hollow if the processes and requirements for businesses transporting goods between the rest of the UK and Northern Ireland are not clear. How much time do your implementation plans allow for businesses to prepare after key implementation decisions are taken?

What assessment have you made of the time it will take businesses to recruit new staff and develop IT systems and processes to reflect the new arrangements?

6. Given that COVID-19 has undermined the ability both of businesses based in or trading with Northern Ireland to prepare for transition to the Protocol arrangements, and of Northern Ireland consumers to cope with price rises, how are you adjusting your approach to implementing the Protocol? We note that the knock-on economic and social impacts of COVID-19, while too early to fully understand, are potentially very large.

Goods moving from the rest of the UK to Northern Ireland

7. What assessment has the Government made of the impact of additional checks and controls on the Northern Ireland agrifood sector if there is no UK-EU free trade agreement in place at the end of the transition period? We strongly recommend that you take into account the potential impacts of delays on the value of perishable agrifood goods and animal welfare.
8. What is your assessment of the likely impact on Northern Ireland household finances if the full range of checks and controls are introduced, in the absence of a UK-EU free trade agreement, at the end of the transition period?
9. What plans do you have to mitigate the potential impacts on the agrifood sector and household finances in Northern Ireland?
10. What steps is the Government taking to ensure that there will be enough vets to meet the increased demand for veterinary certification of goods moving from the rest of the UK to Northern Ireland? Have you accounted for this increased demand for the profession in the design of its new immigration system? What assessment have you made of whether a shortage of vets could affect the flow of goods between the rest of the UK and Northern Ireland from 1 January 2021? We urge that you give detailed consideration to this issue and the range of possible mitigations.
11. What support are you providing to the Northern Ireland Executive and delivery partners to deliver the development and designation of Border Inspection Posts? When do you expect to provide more information on which Border Inspection Posts particular goods can enter through? It is imperative that businesses have clarity on this point as soon as possible.
12. What assessment have you made of other infrastructure investments that will be required, for example for road improvements, and the time needed to deliver these? We strongly recommend that you consider the range of infrastructure investments that will support the continued flow of goods.

13. While we welcome the Government's May 2020 Command Paper as far as it goes, we are concerned by the continuing uncertainty over how the SPS requirements of the Protocol will be implemented. When will you provide more detail on how the SPS processes work in practice?
14. We urge you to devote special attention to the particular challenges that our witnesses highlighted:
- a) ensuring streamlined administrative processes (especially to address the complexities of composite products);
 - b) reducing the risk of delays due to checks at border inspection posts;
 - c) ensuring that any delays do not negatively impact on the value of perishable goods, or on animal welfare;
 - d) reducing the cost of export health certificates; and
 - e) ensuring that the integrity of agrifood circulating in Northern Ireland is protected.
15. We would be grateful for confirmation of the measures that you are considering to reduce the burden of new SPS requirements on businesses transporting relevant products between the rest of the UK and Northern Ireland, including specific actions addressing the list of challenges above.
16. What new requirements will the seafood sector who transport produce from the rest of the UK to Northern Ireland need to comply with under the Protocol? What measures are you taking to ensure that the seafood sector can obtain export health certificates with the minimum burden (including costs)?
17. What is the status of the agrifood-related Common Frameworks? Will the Government commit to publishing an assessment of the impact of divergence in food standards between the rest of the UK and Northern Ireland, including on the need for checks and controls between the two markets, when proposing new standards for England? How are the concerns of the sector regarding regulatory divergence being reflected in the development of the relevant Common Frameworks?
18. How are the concerns of the sector regarding their compromised competitive position being reflected in the Government's trade policy in relation to agrifood? Will the Government's new Trade and Agriculture Commission be open to the Northern Ireland agrifood organisations from which we heard evidence?
19. What other elements have you identified, in addition to ensuring no physical impediments to goods moving from Northern Ireland to the rest of the UK, to sustain the UK internal agrifood market, particularly with regard to standards and fair conditions for competition across the UK and with international partners? We

strongly recommend that you consider the different conditions required to secure Northern Ireland's place in the UK internal market beyond the absence of physical impediments.

20. We note that the Government's proposed text includes mechanisms like those in CETA and the New Zealand veterinary agreement which could reduce the need for checks between the rest of the UK and Northern Ireland. We stress that such mechanisms should be considered a crucial part of the UK-EU agreement. What progress has been made in the discussion of these proposals with the EU? Which agrifood products are you prioritising for reciprocal equivalence? Has reducing checks and processes for these goods moving between the rest of the UK and Northern Ireland been a dominant factor in that prioritisation? We urge you to give appropriate weight to this objective in your negotiating priorities.
21. Have you made an assessment of the impacts of a failure to secure an SPS agreement with the EU by the end of the transition period for the Northern Ireland agrifood sector and food prices?
22. What electronic processes are you considering as part of the SPS checks and controls, and do these include the use of e-certification and residue sampling? When will businesses be consulted on these measures?
23. How are you incorporating the views of business in your policy-development on the definition of products that are not 'at risk' of onward movement? When do you expect this definition to be adopted by the Joint Committee, and will businesses be invited to the Joint Committee's supporting bodies to support preparatory work on the 'at risk' definition? We strongly recommend that you undertake a detailed consultative exercise with businesses from across supply chains to inform the development of this definition.
24. The Government said that it will waive and/or reimburse tariffs on goods moving from the rest of the UK to Northern Ireland, even where they are classified as 'at risk' of entering the EU market. How will these processes operate for goods considered at risk and not at risk?
25. Given the significant working capital burden that would be required, is the Government considering a deferred payment system for goods where the final destination cannot be proved at the point of entry to Northern Ireland from the rest of the UK? We urge you to engage closely with businesses as you develop this policy, given their significant concerns.

26. When do you expect to be able to provide more information on the precise customs processes that relate to agrifood which will be in place at the end of the transition period? There is an urgent need to clarify this.
27. We note that the Government has proposed mutual recognition of authorised economic operator programmes as part of the UK-EU free trade agreement. Has progress been made on this point with the EU? Do you expect to agree a safety and security agreement with the EU that would remove the need for entry and exit summary declarations?
28. Have you assessed the impact of moving away from a zero tariff zero quota UK-EU agreement – which you have recently suggested as an alternative to the EU’s level playing field proposals – on the need for controls between the rest of the UK and Northern Ireland?
29. Have you assessed the impact of tariffs applied in the absence of a UK-EU trade agreement on products being traded from Northern Ireland to Ireland which incorporate components from the rest of the UK?
30. When will you provide clarity on Northern Ireland’s position in relation to the UK and EU’s free trade agreements with the rest of the world, including tariff rate quotas? Have you assessed the potential impact on the Northern Ireland agrifood sector if rules of origin issues are not resolved?
31. What steps are you taking to ensure that the supply of veterinary medicinal products to the rest of the UK and Northern Ireland will not be interrupted in the absence of a UK-EU agreement at the end of the transition period? Could you include additional measures in the Medicines and Medical Devices Bill 2019-21 with this purpose?

Unfettered access for goods moving from Northern Ireland to the rest of the UK

32. What work is the Government undertaking on the definitions of unfettered access, qualifying status and origin labelling requirements, and how are the views of Northern Ireland agrifood businesses being accommodated in this work? How will the definition of qualifying status take into account all-island supply chains? We strongly recommend that you undertake a detailed consultative exercise with businesses from across supply chains to inform the development of these definitions.
33. We understand that the Government has argued that exit summary declarations will not be necessary. What steps have you taken to ensure that the EU understand the rationale for this position?

Specific issues for the seafood sector in the implementation of the Protocol

34. We note that Article 5(3) of the Protocol provides for the Joint Committee to decide the conditions under which fishery and aquaculture products landed in Northern Ireland by UK-flagged vessels registered in Northern Ireland are exempted from duties. What factors will be taken into account in determining these conditions and any quantitative restrictions?
35. Please clarify the position of seafood landed in Northern Ireland by UK fishing vessels (including those based in Northern Ireland) in relation to other EU requirements, such as catch certificates. Please also clarify the particular situation for vessels that land live bivalves.
36. How will you seek to mitigate the impact of any requirements on the North-South movement of fish?
37. Please confirm the position of Northern Ireland fisheries in the Government's negotiations with the EU and other international partners, and explain how the concerns of Northern Ireland fishers will be gathered and taken into account.

Government engagement with Northern Ireland agrifood businesses, and other business concerns

38. We welcome the establishment of the business engagement forum. We are however concerned that there has been a lack of meaningful Government engagement on the implementation of the Protocol in recent months. Rushed, last-minute business engagement will not be enough to create effective solutions, given the scale and complexity of this task. How are you stepping up engagement on the implementation of the Protocol? How will you ensure that engagement allows for detailed discussions on potential solutions with Northern Ireland agrifood businesses from across the supply chain? We strongly urge you to allocate significant time and resources to this exercise and to give serious consideration to how engagement can best enable detailed discussions on solutions.
39. What plans do you have for training schemes and awareness-raising campaigns to improve the Northern Ireland agrifood sector's understanding of new requirements under the Protocol? How will you ensure that SMEs are prepared for these requirements by 1 January 2021?
40. What assessment have you made of providing financial support to Northern Ireland agrifood businesses to help them cope with the transition to new arrangements under the Protocol?

41. Will the funding announced for the customs intermediary sector as part of the Government's plan for GB-EU border controls be extended to Northern Ireland? If so, when will further detail be provided?

The Joint Committee and its supporting bodies

42. Will businesses be invited to the Joint Consultative Working Group? Are there other ways that the Joint Committee and its supporting bodies will gather the views of business to inform their work? We urge you to work with the EU to ensure that these structures are open to the views of businesses and other stakeholders.