



Department
for Environment
Food & Rural Affairs

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Lord Teverson
Chair of the EU Environment Sub-Committee
House of Lords
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Dear Lord Teverson,

Thank you for your letter of 16 December regarding UK-EU agri-food trade and the concerns raised with your Committee by representatives from the UK's agri-food sector. My apologies for the unacceptable delay in responding.

As you will be aware, the UK has successfully negotiated a zero tariff, zero quota agreement with the EU, in line with the ambition set out in the Political Declaration and the clear preference of UK businesses.

The deal provides food producers and retailers with the certainty that they require to continue trading with the EU. It avoids the imposition of tariffs and quotas which would have arisen in the absence of an agreement and allows the UK to explore new export opportunities abroad.

I hope that the deal will allay a number of the concerns raised at your recent Committee roundtable, but for ease of reference I will address your points below in the order in which you raised them.

Preparedness and Grace Period

Participants at your roundtable raised several concerns around Government and business readiness and requested a grace period of two to six months. On 31 December, the transition period ended and the UK left the single market and customs union.

Ahead of the end of the transition period, Defra provided clear guidance and support to the agri-food industry to enable them to prepare effectively regardless of the outcome of negotiations. This guidance continues to be updated and shared through the GOV.UK website and digital resources. Defra officials continue to engage productively with food and drink businesses from across the industry as businesses adapt to the new trading landscape.

The Government recognises the impact that the pandemic has had on some businesses' ability to fully prepare. For this reason, we are taking a risk-based and proportionate approach where possible. For example, border controls for EU goods imported into Great

Britain will be introduced in stages, giving industry extra time to prepare for the new procedures. The Government has also agreed a phased solution under which trusted traders and their suppliers will benefit from a three-month easement from official certification when moving agri-food products from Great Britain to Northern Ireland.

We are engaging intensively with businesses that are most affected by our changing relationship with the EU to help them adjust and continue to compete successfully on the global stage. My ministerial colleagues are speaking directly to businesses across the country, launching sector roundtables, to develop a shared vision and positive plan for the future of these sectors in the UK.

The Government also stands ready to help businesses capitalise on the new global trading opportunities that our departure from the EU has provided. We want to work closely with industry to drive productivity, unlock investment and safe-guard high value jobs in the UK. We look forward to furthering our positive relationship with the sector as we begin this new chapter together.

We recognise that the fishing industry in particular has been facing some temporary issues following the end of the Transition Period. We have continued to extensively engage and work closely with representatives of the industry from across the UK, and the authorities in EU Member States, to understand and address any issues with documentation. Our priority is to ensure that goods can continue to flow smoothly to market. Following the Prime Minister's recent statement at Liaison Committee, you will no doubt now be aware that on 19 January Defra announced a £23 million fund to support seafood businesses across the UK where they have experienced a verifiable loss due to failures in the EU export processes. We will set out further details on this fund shortly.

In addition to funding, we have committed to providing further support to businesses in adapting to new export processes. Defra and HMRC will be offering targeted, proactive and hands on support to fisheries exporters to help them successfully meet the new requirements.

Equivalence and listing

Within your letter you also shared your attendees' strong preference for regulatory equivalence. The UK successfully applied for authorisation (known as 'listing status') to export animal products and live animals to the EU from 1 January. The legal instruments giving effect to our listing were published in the EU's Official Journal on 28 December and have applied since 1 January.

More broadly, we have agreed a framework that allows both the UK and the EU to take independent decisions on trade facilitations. It commits us both to avoiding unnecessary barriers overall. Countries can trade with each other without having an equivalence arrangement in place. Given the EU's rejection of equivalence, we have agreed an alternative approach that can deliver similar outcomes in terms of future non-tariff measure reductions.

The UK and EU have similar animal and plant health measures. Moving forward, we are committed to maintaining high biosecurity, food safety and animal welfare standards.

Export Health Certificates

I note your witnesses' concerns around Export Health Certificates (EHCs). We are working hard to increase the number of official certifiers of these certificates to meet demand. This will ensure that the food industry can take advantage of the opportunities and changes that the UK's new chapter brings.

The number of vets able to sign EHCs for animal products has grown from c. 600 to over 1500 since February 2019. Working with APHA and the FSA we have put in place a surge capacity function for both local authorities and veterinary certification providers as short-term support.

Additionally, the agreement allows the UK and the EU to cooperate and over time, this will help to reduce the burden on businesses from border controls and certification requirements. Taken alongside other elements of the FTA, such as zero tariffs and zero quotas, this represents a good outcome for the UK's agri-food industry and doesn't constrain our ability to legislate in these areas.

Phytosanitary Equivalence

You also mentioned phytosanitary equivalence and as you may be aware, discussions have been ongoing with the EU Commission regarding plant reproductive material, plant health prohibitions and changes to the Northern Ireland Protocol.

The EU Plants, Animals, Food and Feed Committee has voted to remove certain plant prohibitions and restrictions in the Annexes of the EU's Phytosanitary Conditions Regulation. The effect is that some previously prohibited commodities can now be exported to the EU and moved to NI. Although some goods are still unable to be exported, we are continuing to press for prohibitions that were not lifted in December 2020 to be removed.

Your witnesses also felt an electronic system for phytosanitary certificates would be beneficial. The UK is aiming to introduce the capability to exchange ePhytos during 2021. Discussions between Defra and the International Plant Protection Convention ePhyto Solutions IT team are ongoing. Until agreement has been reached, paper phytosanitary certificates will continue to be required for exports and imports. For those countries not using the ePhyto solution, paper phytosanitary certificates will continue to be required for exports and imports.

Workforce

On workforce availability, the Government recognises the labour challenges faced by the food and farming sector and the need for a reliable supply of temporary migrant workers to maintain our food supply chains.

As of 1 January, the UK has introduced a new immigration system that will benefit the whole of the UK, including our farmers and growers. The Points-Based Immigration System will

provide simple, effective and flexible arrangements for skilled workers from around the world to come to the UK now that freedom of movement has ended.

On 22 December, we announced our plans to help farmers access the labour they need in 2021. The Seasonal Workers Pilot will be expanded for one year, from 10,000 to 30,000 visas, granted for workers to come to the UK for a period of up to 6 months to pick and package fruit and vegetables on our farms.

Although the numbers are increasing based on the success of the Pilot so far, it is not designed to meet the full labour needs of the horticultural sector. This workforce boost will complement the workers already resident in the UK and looking to take up farm work during the busy harvest months.

To help these efforts, the Government will be running another campaign in 2021, similar to Pick for Britain, to increase the availability of domestic seasonal workers. EU nationals who have settled status can also continue to travel to the UK to work in all parts of the agricultural sector in 2021.

We will keep labour market data under very careful scrutiny to monitor any pressures in key sectors.

I hope that this response addresses your concerns and provides assurance that the Government fully recognises the importance of the agri-food sector and is committed to working with the sector to make the most of the opportunities outside of the EU.



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