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RE: Follow-up Questions from Welsh Affairs Committee Session on 4th June 2025

Date: 26th June 2025

Dear Ruth

Many thanks for inviting the Farmers' Union of Wales to provide oral evidence to the Welsh Affairs Committee in Westminster on 4th June 2025. Ian and I thoroughly enjoyed the opportunity to engage directly with members of the Committee and we trust that our input has constructively aided your inquiry.

Further to your letter received on 9th June 2025, I have provided brief answers to your questions below to supplement our written evidence and the oral session earlier this month.

We look forward to engaging with the Committee at the Royal Welsh Show in a few weeks time.

Yours sincerely

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Did the checks and certificates that Welsh exporters needed to obtain, before the UK-EU reset deal, make Welsh goods less attractive to international markets?

Whilst the UK - EU Trade and Cooperation Agreement established the framework for trade, aiming to facilitate the continued movement of goods without tariffs or quotas, it introduced new regulatory barriers, rule of origin requirements, customs checks, and non-tariff measures that were absent when the UK was part of the EU's Single Market and Customs Union.

The introduction of the requirement for a Veterinary Attestation for any product of animal origin has added additional cost and burden to the primary producer and complexity through the supply chain. Reports suggest that the industry has spent in excess of £200 million on Export Health Certificates since 1st January 2021.

Despite a 21% decline in UK exports since 2018 as a result of the bureaucratic disruption and red tape caused by Brexit, the EU remains the largest export market for Welsh agri-food exports. As such, the long-term security of the EU market for the trading of agri-food products should not be underestimated given the current volatility of global markets.

Nevertheless, there is no doubt that these additional requirements are at least partly to blame for the reductions in exports, either through increased prices for EU consumers or complete barriers for UK businesses to export altogether.

What is your assessment of the recent SPS agreement the UK has agreed with the EU?

What are the challenges and opportunities of the potential alignment with EU food standards for the Welsh agri-food export market?

The efforts made by the UK Government to restore relations with our nearest trading partners have to be welcomed, although implementing these changes are likely to take years. This agreement should open the door to ensuring that both food imports and exports are subject to similar controls, removing barriers for UK exports and providing a level playing field between UK and EU producers.

Whilst at face value our plant and animal health requirements align with EU standards, we must consider how this may place the UK in a challenging position in future as it no longer has the power, as a formal Member State, to influence European rules and will have to accept the EU's Court of Justice's jurisdiction on the way they are applied. Nevertheless, the UK's involvement in the decision making processes is welcomed.

This, for instance, may have implications for the Genetic Technology (Precision Breeding) Act 2023, a piece of English legislation that contradicts the EU's current ruling on Precision Bred Organisms, and one that always risked placing producers in devolved administrations at a competitive disadvantage.

We must also consider the extent to which the development of agricultural legislation across the UK has moved away from the core policy and funding principles of the EU Common Agricultural Policy (CAP), and how this impacts the competitiveness of the UK agricultural sector against our EU counterparts; even if our plant and animal health requirements continue to align.

On a similar vein, we cautiously welcome the alignment between the UK and EU Emission Trading Schemes. We understand that this should remove the anticipated Carbon Border Adjustment Mechanism (CBAM) on imports such as fertilisers. However, the 'Common Understanding' states that *"the UK's reduction pathway... should be at least as ambitious as the EU cap and the EU reduction pathway."* This may also create difficulties when the UK Government sets its emissions reduction pathways in future.