Dear Ruth Jones,

Dominic Hamspon – Smith and Wales YFC would like to take this opportunity to thank the Welsh Affairs Committee for inviting us to give oral evidence and are glad to be able to supply answerers to the following questions:

1. 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?

Wales YFC believe that the checks and certificates exporters needed to obtain certainly made Welsh goods less attractive. The introduction of extensive checks and certification requirements following the UK's departure from the EU significantly increased the cost and complexity of exporting Welsh goods—particularly agri-food products—to the EU. These non-tariff barriers included Export Health Certificates, plant health documentation, and customs declarations, which disproportionately affected small and medium-sized Welsh producers including our members who lack the administrative and financial capacity to absorb these burdens with sufficient support and structure.

Undoubtedly we have seen a decrease in the overall quantity of Welsh export goods since 2019, Welsh exports—especially in agriculture and food—have declined, with EU-bound exports falling by 21% between 2018 and 2024.

The additional bureaucracy, delays at borders, and uncertainty around compliance discouraged our members as current and future exporters altogether, while others faced reduced competitiveness in EU markets.

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

The recent UK-EU Sanitary and Phytosanitary (SPS) agreement represents a significant and welcome step forward. It removes many of the most burdensome requirements, including Export Health Certificates, plant health certificates, and routine border checks for key agri-food products. This will reduce costs, improve the speed of delivery, and restore access to EU markets for previously restricted goods.

Wales YFC doesn't entirely believe that all barriers to Welsh producers have been removed. While the SPS agreement alleviates many practical barriers, it does not restore full frictionless trade. Welsh exporters must still navigate a complex and evolving regulatory landscape, and the UK's lack of influence over EU rule-making poses long-term strategic risks.

The next steps Wales YFC would like to see take place are to formalise and deepen regulatory cooperation through a legally binding agreement. This would provide long-term certainty, reduce the risk of future divergence, and support mutual recognition of standards to reassure our current and future members to trade in EU markets.

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

The **challenges** that Wales YFC foresee are:

- **Loss of Autonomy:** Wales and the wider UK would have limited influence over EU rules, potentially having to except a lower standard of produce without formal input.
- **Price Differentiation:** Alignment would not only allow Welsh product into the EU but also EU products of a potential lower standard into Welsh markets that could impact market value of our Welsh products.

The **opportunities** we wish too see come into fruition are:

- **Market Access:** Alignment would secure long-term access to the EU, which remains the largest export destination for Welsh agri-food products.
- **Stability:** Regulatory consistency would reduce compliance costs and improve predictability for businesses.
- **Reputation:** Maintaining high standards enhances the global reputation of Welsh produce, supporting premium branding and a viable future for our members.