



House of Commons
Environment, Food and Rural
Affairs Committee

**Seafood and meat
exports to the EU**

Eighth Report of Session 2019–21

*Report, together with formal minutes relating
to the report*

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The Environment, Food and Rural Affairs Committee

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Summary

Since 1 January, businesses exporting seafood and meat to the European Union (EU) have faced substantial new red tape requirements and checks at the border—known as non-tariff barriers—where previously there were none. The ending of the Transition Period following Brexit created significant challenges for all companies trading with the EU; but those exporting live and fresh produce face particular difficulties following the imposition of Sanitary and Phytosanitary (SPS) checks including the need for such exports to be certified with an Export Health Certificate (EHC).

The signing of the Trade and Cooperation Agreement (TCA) between the UK and EU on Christmas Eve 2020 was welcome; but meant that businesses only had a week to familiarise themselves with the new trading environment. Nevertheless, it had been apparent for many months that the end of the Transition Period would bring major changes to the process of exporting seafood and meat to the EU. Although the Government sought to help businesses to prepare, its guidance was not sufficiently timely, targeted or joined-up, and engagement with businesses could have been closer. There was also a lack of testing of the new arrangements, which meant that minor issues, such as the particular colour of ink used to stamp and sign EHCs, created delays at the EU border.

Many of these “teething problems” are now being resolved but the new non-tariff barriers introduced by Brexit continue to hinder businesses, in particular SMEs, exporting seafood and meat to the EU. Without action some businesses will relocate activity to the EU or stop exporting to Europe. To reduce the burden on exporters the Government should:

- as a matter of priority seek agreement with the EU on digitising the certification of EHCs;
- take a flexible approach to the fund for those exporting seafood and provide similar support to meat exporters;
- support SMEs with the cost of certifying EHCs;
- facilitate logistical approaches that allow consignments from SMEs to be grouped together on a single lorry load, thereby reducing costs.

An EHC must be certified by an Official Veterinarian (OV) or, for seafood, an Environmental Health Officer. Many OVs fit certification around other work and at present the flow of seafood and meat exports is not being generally hindered by the availability of OVs. However, export volumes remain lower than normal and OVs may have been diverted from other vital tasks. The availability of certifying officers should be closely monitored so businesses can readily access them at appropriate costs. Defra should also examine the experience of other countries that provide a full-time public sector certification service and report on its findings within a year.

Since 1 January, the additional requirements on the export of live bivalve molluscs (LBM), such as oysters and clams, from all but the cleanest “Class A” production grounds has severely curtailed exports from England and Wales, where the industry suggests

such classification is undertaken more strictly than elsewhere. The classification of bivalve mollusc production grounds in England and Wales should be urgently reviewed so Class A status is fairly granted wherever possible. The confusion about the EU's requirements on purification of LBM also demonstrated Defra's failure to properly consult with stakeholders prior to the end of the transition period.

The UK has yet to introduce SPS checks on EU imports. This places British businesses at a competitive disadvantage, creates incentives to relocate factories and jobs to the EU, and increases food safety and biosecurity risks. It also reduces the incentive for the European Commission to negotiate. SPS checks on EU imports of products of animal origin (POAO) should have been introduced on 1 January 2021 as originally planned. The Government must stick to its latest revised timetable of introducing EHCs on 1 October, and checks at the border from 1 January 2022. It should also ensure that sufficient testing of the new arrangements take place. The Government should ensure that a digitised process for certifying EHCs for EU imports is ready no later than 1 January 2022, so that reciprocity can be offered to the European Commission to speed up movements in both directions.

The UK sought an equivalence mechanism for SPS measures to allow reduced levels of checks at the border and simplified certification during the negotiation of the TCA. However, this was not achieved, in part because the Government did not place sufficient priority on it, resulting in the creation of non-tariff barriers. The Government's willingness to continue to engage with the EU to negotiate such an agreement is welcome. It should adopt a pragmatic stance to achieving it. In the interim beginning the work of the UK-EU SPS Specialised Committee should be a priority to help resolve the issues currently facing seafood and meat exporters.

1 Introduction

1. On 31 December 2020, Great Britain (GB) left the European Single Market and European Union (EU) Customs Union.¹ After the United Kingdom (UK) left the EU on 31 January 2020, it immediately entered a “Transition Period” during which trading conditions with the EU remained unchanged while negotiations on the UK’s future relationship with the EU were conducted.² On 24 December 2020, negotiations on the UK-EU Trade and Co-operation Agreement (TCA) were concluded.³ The TCA provisionally took effect from 1 January 2021 and maintained tariff and quota free bilateral trade.⁴ However, it did not prevent the application of non-tariff barriers for the trade in seafood and meat and many other products of animal origin (POAO), including the requirement for many such exports to the EU to have an Export Health Certificate (EHC).⁵ Under the Protocol on Ireland/Northern Ireland of the Withdrawal Agreement, “Northern Ireland will remain aligned to a limited set of [European] Single Market rules” and is “subject to most of the EU’s customs rules”, meaning that trade between NI and the EU was unaffected by these changes.⁶ The Northern Ireland Affairs Committee is conducting its own inquiry into the specific issues the new arrangements cause for the movement of food and other items from Great Britain to Northern Ireland and these matters are therefore not considered in this Report.⁷

2. In February 2018, our predecessor committee’s Report, “Brexit: Trade in Food”, considered the challenges to UK food producers of a new trading relationship with the EU and other countries.⁸ In particular, the Report cautioned that any creation of non-tariff barriers to trade with the EU were a “huge concern to the agricultural industry” with the “potential to cause an additional expense and delays to businesses”.⁹ This scenario has now come to pass. This Report considers the challenges facing seafood and meat exporters in Great Britain as they seek to continue to trade with businesses in the EU whilst ensuring their consignments now have the correct paperwork. They also face checks and delays at the EU border that can impact the quality and therefore the price of their often live or fresh produce.¹⁰ At the same time, their EU competitors can currently import produce to Great Britain with a lower level of bureaucracy and checks until later this year, including

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- 1 Prime Minister’s Office, [International treaty - Summary Explainer](#), updated 11 March 2021. England, Wales and Scotland make up Great Britain, while the United Kingdom is constituted of Northern Ireland and Great Britain.
 - 2 “The UK government does not use the term transition: instead it prefers to refer to this period as an ‘implementation period’”. [Institute for Government, [‘Brexit transition period’](#), accessed 6 April 2021]
 - 3 *“EU-UK Trade and Cooperation Agreement: protecting European interests, ensuring fair competition, and continued cooperation in areas of mutual interest”*, European Commission [press release](#), 24 December 2020.
 - 4 The Government explained that “to export tariff-free under the TCA, goods must meet the UK-EU preferential rules of origin”. This means that there must be a “qualifying level of processing in the country of export” in order to access zero tariffs. This applies to EU origin goods imported and moving through the UK from a Member State to another EU Member State, as well as goods imported from the Rest of World. [HM Revenue and Customs, [Introduction to rules of origin and claiming preferential tariffs \(duties\)](#), 16 March 2021]
 - 5 HM Government, [The Border with the European Union - Importing and Exporting Goods](#) (December 2020), p202
 - 6 European Commission, [Brexit: What did you agree with the UK today?](#), 17 October 2019; Institute for Government, [‘Brexit deal: the Northern Ireland protocol’](#), accessed 21 April 2021
 - 7 *“MPs to probe Northern Ireland Protocol”*, Northern Ireland Affairs Committee [news article](#), 10 September 2020
 - 8 Environment, Food and Rural Affairs Committee, Third Report of Session 2017–2019, [Brexit: Trade in Food](#), HC 348
 - 9 Environment, Food and Rural Affairs Committee, Third Report of Session 2017–2019, [Brexit: Trade in Food](#), HC 348, p 27
 - 10 National Federation of Fishermen’s Organisations ([SME0031](#)) paras 7 and 9

no requirement for an EHC and no checks at the border in most cases.¹¹ These changes are taking place against the backdrop of the covid-19 pandemic, which has itself reduced demand for seafood and meat exports, especially from the hospitality sector, and diverted businesses' focus from preparing for the new trading environment.¹²

3. This Report considers how the TCA has affected seafood and meat exporters to date, including the impact of “teething problems” as businesses, certifying officers and border officials among others adapted to the new procedures and the effect on the market for British exports, the longer-term structural issues that now affect businesses, and how some of these barriers to trade might be reduced. The Report then looks at the delayed introduction of SPS checks on imports of EU POAO, and the scope for improved co-operation with the EU.

4. We held a private briefing with the Secretary of State in January 2021 to discuss the problems food exporters had experienced since the TCA provisionally came into effect, including reports that companies were unable or unwilling to continue exporting to the EU and that there were considerable delays at the EU border.¹³ Following that meeting, we launched this inquiry to hear from those involved in the export of seafood and meat, which was particularly affected because such exports to the EU are usually fresh or live and therefore especially time-sensitive.¹⁴ The EU market is vital to both sectors: for seafood, the UK “import[s] around 66% of what we eat and export about 80% of what we catch”, while for meat exports, the British Meat Processors Association (BMPA) noted that British exports to the EU were part of a “24/7 just in time food supply chain with an expectation of a day 1 slaughter being delivered on day 2”.¹⁵ We are aware, however, that other sectors have experienced difficulties since 1 January.¹⁶ Our call for evidence asked:

- (1) Which seafood and meat exports have been particularly affected by border delays and disruptions since 1 January, and why?
- (2) What impact have delays and non-tariff barriers on seafood and meat exports to the EU had on UK businesses?
 - a) What are the medium to long-term implications of the non-tariff barriers for UK exporters and supply chains?
- (3) What steps should the UK Government take to mitigate these issues? What should its short and long-term priorities for action be?
- (4) How effective and timely will the Government's proposed £23 million support package for seafood exporters be?

11 Department for Environment, Food & Rural Affairs and Animal and Plant Health Agency, '[Importing or moving live animals, animal products and high risk food and feed not of animal origin](#)', accessed 8 April 2021; The National Federation of Fishermen's Organisations (SME0031) para 4

12 Department for Environment, Food and Rural Affairs (SME0036) para 1.2; Provision Trade Federation and UK Seafood Industry Alliance (SME0024) para 9

13 Environment, Food and Rural Affairs Committee, [Correspondence from the Secretary of State to the Chair in relation to Delays to seafood and meat exports](#), 12 February 2021; Environment, Food and Rural Affairs Committee, [Letter to Secretary of State on fisheries exports](#), 29 January 2020

14 "[Brexit border delays for meat and seafood exports: EFRA Committee launch urgent inquiry](#)", Environment, Food and Rural Affairs Committee [press notice](#), 29 January 2021

15 Provision Trade Federation and UK Seafood Industry Alliance (SME0024) para 18; British Meat Processors Association (SME0018) p 2

16 "[Organic food hit by UK's '1970s' Brexit red tape](#)", Politico, 10 March 2021; "[How the seed potato industry is reacting to loss of EU market](#)", Farmers Weekly, 16 February 2021

- (5) How useful and responsive were the guidance and support provided by the Government to business, before and since 1 January?
- (6) What can the UK learn from other countries who export food to the EU?
- (7) How ready is the UK to introduce checks on food imports from the EU during 2021, and are there lessons to be learnt from the issues that UK exporters have faced?¹⁷

5. We took evidence from seafood and meat producers, representatives of certifying officers responsible for signing EHCs, the logistics sector, and the Secretary of State for Environment, Food and Rural Affairs, Rt Hon George Eustice MP, and Government officials. We also received 36 submissions of written evidence. We thank everyone who contributed to the inquiry.

17 *"Brexit border delays for meat and seafood exports: EFRA Committee launch urgent inquiry"*, Environment, Food and Rural Affairs Committee [press notice](#), 29 January 2021

2 The introduction of SPS checks on exports

6. Negotiations on a UK-EU trade deal were concluded with only one week of the 11-month Transition Period remaining. On 24 December 2020, the Prime Minister heralded the Trade and Cooperation Agreement (TCA) as “a deal that will allow UK goods and components to be sold without tariffs and without quotas in the EU market” and one that “if anything should allow our companies and our exporters to do even more business with our European friends”.¹⁸ Ian Wright, Chief Executive of the Food and Drink Federation, said that “this deal is infinitely better than no deal and infinitely better than a failure to agree, which would have given us tariffs”, while the National Farmers’ Union (NFU) said that they were “pleased that the UK has successfully maintained duty free access to the EU market” under the TCA.¹⁹ While the TCA uniquely created a zero-tariff and zero-quota trade deal between the EU and a trading partner (subject to UK-EU preferential rules of origin), it did not avoid the imposition of non-tariff barriers.²⁰ As the Organisation for Economic Co-operation and Development (OECD) explains, non-tariff barriers “comprise all policy measures other than tariffs and tariff-rate quotas that have a more or less direct impact on international trade” and observed that international trade in goods and services can be “strongly affected” by non-tariff barriers.²¹ The challenge facing British exporters has arguably been unique as they adapt to *additional* red tape following a trade deal. Pascal Lamy, former Director-General of the World Trade Organisation (WTO), told the BBC that whereas “all trade negotiations so far were about removing obstacles to trade”, in the case of Brexit it was “the other way round” as the UK and EU moved away from a situation where there was frictionless trade and instead “create[d] obstacles to trade”, something Mr Lamy described as “unprecedented”.²²

7. The TCA provided “very little” in regard to reducing the burden of additional trade friction for checks on Sanitary (human and animal) and Phytosanitary (plant) products—known as SPS—according to the British Veterinary Association (BVA), in spite of the UK’s and EU’s February 2020 negotiating ambitions in this regard.²³ The BVA described SPS checks as “a vital part of the biosecurity framework” that “protect humans, animals, and plants from diseases, pests, or contaminants”.²⁴ Although British authorities will not introduce general SPS checks for imports from the EU until 1 October (see chapter 4), the EU introduced them on 1 January for exports from Great Britain, including seafood and

18 Prime Minister’s Office, [Prime Minister’s statement on EU negotiations: 24 December 2020](#), speech, 24 December 2020

19 Oral evidence taken before the International Trade Committee on 11 February 2021, [HC \(2019–21\) 1206](#), Q63; National Farmers’ Union ([SME0028](#)) para 2

20 Prime Minister’s Office, [International treaty - Summary Explainer](#), updated 11 March 2021

21 Organisation for Economic Co-operation and Development, [Non-tariff measures: Tariffs are the tip of the iceberg: How behind the border issues impact trade](#), accessed on 29 March 2021. Non-tariff barriers are also referred to as non-tariff measures.

22 BBC, [The Week in Westminster](#), Audio 07:55 to 08:20, 1 February 2020

23 British Veterinary Association ([SME0027](#)) para 7; In February 2020, the UK and the EU set out their negotiating positions for their future relationship, including on checks of Sanitary (animals) and Phytosanitary (plants) exports, known as SPS. Both the UK and EU stated they wished an SPS agreement to “build on” and go beyond the World Trade Organisation’s agreement on SPS measures, “facilitating access to each party’s market” while protecting human, animal and plant life and health. [HM Government, *The Future Relationship with the EU: The UK’s Approach to Negotiations*, [CP211](#), February 2020, p 8; Council of the European Union, [Directives for the Negotiation of a new Partnership with the United Kingdom of Great Britain and Northern Ireland](#), 25 February 2020, p 12]

24 British Veterinary Association ([SME0027](#)) para 3

meat. Richard Ballantyne, Chief Executive of the British Ports Association, described the end of the Transition Period as “such a big culture change for everyone to get used to”.²⁵ He said that although a change was expected, it was a “mammoth change ... [from] quick and free-flowing trade” which meant it was “understandable that some people struggled in the first few weeks and months”.²⁶ Martyn Youell, Senior Manager of Fisheries and Quota at Waterdance Limited, highlighted the volume of paperwork now required, citing one example where “71 pieces of paper [were needed] for one lorry of fish”.²⁷ The BMPA have estimated that meat exporters must now undertake at least 21 additional steps during the end to end process of exporting products to the EU.²⁸ These are set out in the Annex.

8. The imposition of SPS checks has meant that, since 1 January, seafood and meat exports from Great Britain to the EU must be accompanied by an Export Health Certificate (EHC).²⁹ An EHC must be certified by an Official Veterinarian (OV) or (for seafood exports only) an Environmental Health Officer, with the exporter bearing the cost of certification.³⁰ In advance of 1 January, the Department for Environment, Food and Rural Affairs (Defra) created the EHC Online (EHCO) service; which allows 150 of the most frequently used EHCs to be filled in electronically.³¹ Where an EHC is not available through ECHO (there were around 35 in October 2020), one needs to apply to the Animal and Plant Health Agency (APHA) to obtain a copy.³² In both cases, the completed EHC has to be printed, and then each page (including any blank pages) signed and stamped by a certifying officer following inspection of the consignment. Multiple copies of an EHC have to be provided in different languages, namely in English, the language of the EU Border Control Post (BCP) where the export will enter the EU and (if different) the destination EU country. The NFU cited one example where an OV had to stamp EHC paperwork 72 times for one consignment.³³ The completed EHC is then scanned and sent to the importing company, and hard copies are carried in transit with the consignment for checking at the EU BCP. Eddie Green, UK Head of Cold Chain for DFDS, said “we cannot believe that in this day and age we have to send drivers with a piece of paper with a wet signature on it”, and described it as an “archaic situation”.³⁴ Nick Allen, Chief Executive Officer of the BMPA, said that under the post-1 January system it “feels as though we have stepped back into the 1950s”.³⁵

9. Defra acknowledged that the United Kingdom is “unique” among countries that export fish to the EU because it “exports large volumes of high quality live and fresh seafood”, that must reach the consumer “in as little time as possible”.³⁶ The time to complete EHCs and other paperwork, as well as checks at the border, can delay the shipment of live or fresh seafood and meat exports. The National Federation of Fishermen’s Organisations (NFFO) said that for a delay of up to 12-hours, the “average impact of delays on prices”

25 [Q110](#)

26 [Q110](#)

27 [Q3](#)

28 British Meat Processors Association ([SME0018](#)); British Meat Processors Association, [UK Meat Industry Brexit Impact Report Q1. 2021](#), 23 March 2021, p 5

29 HM Government, [The Border with the European Union - Importing and Exporting Goods](#), December 2020, p 202

30 Chapmans of Rye and Rother and Wealden District Council Environmental Health ([SME0009](#)) p 5

31 [PQ 96841, 5 October 2020](#)

32 GOV.UK, ‘[Get an export health certificate](#)’, accessed on 21 April 2021

33 National Farmers’ Union ([SME0028](#)) para 7.6

34 [Q128](#)

35 [Q56](#)

36 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 7.2

for some seafood exports is a 33% to 50% reduction.³⁷ NFU Scotland said that EHCs were “the main challenge relating to meat exports” as they require “extra time and impose extra costs” while needing to be accurately completed.³⁸ Gary McFarlane, Northern Ireland Director of the Chartered Institute of Environmental Health, said that for some products, it “can take close to an hour” for an individual EHC to be completed.³⁹ Estimates of the cost of obtaining an EHC varied. The Secretary of State, Rt Hon George Eustice MP, said it “ranges from, in some parts of the country like Cornwall, where the local authority is still part-subsidising it, £20 or £30 per certificate, to £80 or more per certificate on more complex loads”.⁴⁰ The BMPA said EHCs were “costing in excess of £200 in Vet costs” which was part of a broader increase of between 60% to 100% on the end to end cost per load of exports to the EU.⁴¹ The Secretary of State said that the cost of obtaining an EHC for export to the EU was now “the principal cost for the fishing sector or, indeed, the meat processing sector” when exporting to the EU.⁴²

Preparation for the end of the Transition Period

10. Prior to 1 January, businesses exporting seafood and meat to the EU were preparing for a new trading relationship. There was uncertainty over whether there would be a trade deal, and, if there was, what the nature of such a deal would be (including the SPS element), so businesses prepared for a range of scenarios, at the same time as dealing with the covid-19 pandemic during much of 2020.⁴³ Agreement of the TCA on 24 December gave businesses only a week over the festive period to make their final preparations.

11. Defra said that it had “produced a considerable amount of guidance across multiple platforms” which it had promoted to businesses both before and after 1 January, including on SPS checks and customs declarations, while webinars were also conducted.⁴⁴ However, Seafood Scotland said that, for SMEs in particular, there has been “limited ‘bandwidth’ for preparation” for 1 January as they had “simultaneously had to address major problems associated with the pandemic over the last year”.⁴⁵ There was broad criticism of the guidance produced by the Government for exporters:

- Scotland Food and Drink said that “as an example of political mismanagement of expectations on the impact of a policy choice, this may have no parallel”, contending that there was a “fundamental lack of honesty” during the Transition Period on the “scale [of] non-tariff barriers”;⁴⁶
- Plymouth Trawler Agents Limited said that “bearing in mind that much of guidance was relevant whether the UK secured a deal or not ... it is difficult to understand why so much was left until so late”;⁴⁷

37 The National Federation of Fishermen’s Organisations ([SME0031](#)) para 9

38 NFU Scotland ([SME0016](#)) para 5

39 [Q91](#)

40 [Q136](#)

41 British Meat Processors Association ([SME0018](#)) p 2

42 [Q136](#)

43 Seafood Scotland ([SME0015](#))

44 Department for Environment, Food and Rural Affairs ([SME0036](#)) paras 6.1 and 6.2

45 Seafood Scotland ([SME0015](#))

46 Scotland Food & Drink ([SME0022](#))

47 Plymouth Trawler Agents Limited ([SME0012](#))

- the NFU said that the agri-food industry had been “inundated” with new guidance, much of it “late in coming and incomplete in nature” and that information from HM Revenue and Customs (HMRC), Defra, the Food Standards Agency (FSA) and others “continues to be fragmented and provided in silos”;⁴⁸
- the Pet Food Manufacturers Association said that the guidance “generally appeared to have been drafted by civil servants working from the legislation and regulatory requirements, but without practical experience”.⁴⁹

12. The EU introduced new EHCs on 21 April 2021, which apply to a broader range of manufactured foods. The BVA told us in February that, at that point, there had been “little official guidance” to OVAs from the Government for this change, and similarly “little advice has been shared with industry [by Defra] on how to make preparations now to ensure certifying OVAs will have the required information in the correct format to complete and sign these new EHCs”.⁵⁰ On 25 March, the Director-General, Farming and Biosecurity at Defra, David Kennedy, told us that Defra had the “draft certificates ready; we have draft guidance” and that Defra were “working very closely with industry”.⁵¹

Live Bivalve Molluscs

13. Concerns were raised about Government communications with industry before 1 January on the new rules for the export of live bivalve molluscs (LBM), such as oysters, mussels, clams and cockles. LBM can either be caught from aquaculture or the wild, and those caught in the waters where there is a higher concentration of E.coli in their flesh—class B and class C production grounds—have to be “depurated” before being considered fit for human consumption under EU laws.⁵²

14. The Shellfish Association of Great Britain (SAGB) said that it and the industry had “raised concerns over the viability of trade in LBMs with government and, in particular, with DEFRA many times since 2017” due to the different rules for exports from non-EU Member States.⁵³ In September 2019, Defra sought clarification from the European Commission about whether LBM could continue to be depurated *after* having been exported to the EU.⁵⁴ Defra subsequently informed the SAGB that LBM harvested from aquaculture in “class B and class C waters would still be able to be exported to the EU for depuration”.⁵⁵ On 10 December 2020 the Secretary of State wrote to MPs setting out, among other issues which products would be subject to “prohibition and restrictions” on exports to the EU.⁵⁶ This included “farmed aquatic animals not ready for human consumption” including LBM.⁵⁷ These would be “not exportable unless compliant with conditions for

48 National Farmers’ Union ([SME0028](#)) para 19

49 Pet Food Manufacturers Association ([SME0023](#))

50 British Veterinary Association ([SME0027](#)) para 31

51 [Q159](#)

52 For LBM caught in Class B production grounds, depuration can be either purification in a tank, or relaying (i.e. moving) the LBM to Class A waters. For LBM caught in Class C production grounds, depuration can only occur through relaying. Shellfish Association of Great Britain ([SME0037](#)) p1. For the definitions of the different classes of water see, Food Standards Agency, “[Shellfish Classification](#)” (accessed 12 April 2021)

53 Shellfish Association of Great Britain ([SME0037](#)) p 2

54 Department for Environment, Food and Rural Affairs ([SME0034](#))

55 [Q34](#)

56 Department for Environment, Food and Rural Affairs ([SME0034](#))

57 Department for Environment, Food and Rural Affairs ([SME0034](#))

third country imports”, however “the issue will only be relevant to aquaculture animals produced in areas subject to disease controls”.⁵⁸ However, as Sarah Horsfall, Co-Chief Executive of the SAGB said, “we know, that has not turned out to be the case”.⁵⁹ After 1 January 2021, exports to the EU of LBM harvested from aquaculture in non-Class A British waters, and not just those “subject to disease controls”, were rejected at the border, on the grounds that they should now be depurated *before* export to the EU because Great Britain was a third country for the purposes of trading with the EU.⁶⁰ Defra officials, Ms Horsfall noted, did “not understand the detail very well ... back in January” and “did not necessarily understand the way the industry operated”.⁶¹

15. The SAGB said the root of the problem was that Defra didn’t share the September 2019 correspondence with the SAGB even though it asked “to see the EU clarification several times”.⁶² The SAGB only saw the correspondence in February 2021.⁶³ Having now reviewed the September 2019 exchange, the SAGB said:

It seems to the industry, from the documentation it has now seen that DEFRA asked a question of the EU with regard to the trade, which was insufficiently detailed, lacked clarity and was based on animal health considerations when the issue concerns food safety. The EU then replied to [it] in a way which was open to misinterpretation. Industry feels that there has been a lack of understanding of both industry practices and relevant legislation shown throughout the process by DEFRA and this has led directly to the current situation where industry cannot trade.⁶⁴

While being clear that she was not saying “who is in the right or who is in the wrong at all” concerning the ongoing and, to date, unresolved disagreement between Defra and the European Commission,⁶⁵ Ms Horsfall added that had Defra shared the September 2019 correspondence at the time “it would have raised questions in the industry ... We would not have interpreted it necessarily in the way Defra did just from one single paragraph”.⁶⁶

Teething problems and structural issues

16. The joint submission from Waterdance Limited, Western Fish Producers’ Organisation, More Seafood, Brixham Trawler Agents, Samways Fish Merchants & International Transporters, and Passmore Fishing (Waterdance et al) said that first tests of the Government’s guidance, and their systems, “were on January 1st with real shipments”.⁶⁷ This lack of testing meant there were a number of teething problems as businesses sought

58 Department for Environment, Food and Rural Affairs ([SME0034](#))

59 [Q34](#)

60 Department for Environment, Food and Rural Affairs ([SME0034](#))

61 [Q35](#)

62 Shellfish Association of Great Britain ([SME0037](#)) p 2

63 Shellfish Association of Great Britain ([SME0037](#)) p 2

64 Shellfish Association of Great Britain ([SME0037](#)) p 3

65 In February 2021, the Secretary of State told the House that there was “no legal justification” for the European Commission’s ban, and said that in September 2019 the Commission had said that “the existing trade in farmed molluscs could continue under existing export health certificates” ([HC Deb, 8 February 2021, cols 38–39](#)). On 10 February, the Commission said that the September 2019 correspondence had concerned “animal health guarantees only”, rather than fitness for human consumption (Department for Environment Food and Rural Affairs ([SME0034](#)) [Letter from the European Commissioner for Health and Food Safety]).

66 [Qq52–53](#)

67 Western Fish Producers’ Organisation, Waterdance Ltd, More Seafood, Brixham Trawler Agents, Samways Fish Merchants & International Transporters, Passmore Fishing ([SME0017](#))

to continue exporting seafood and meat to the EU under the new trading arrangements. Nick Allen said that “between 125 and 150 separate technical issues have had to be sorted out in the first six to eight weeks of this system running”.⁶⁸ In addition, Defra said that there had been “inconsistent interpretation of the rules, between Member States, Border Control Posts (BCPs), and even within staff on duty at individual BCPs” which had created delays at the EU border even for “well prepared” exporters and created a lack of certainty in the time required to clear customs and SPS checks from one journey to another.⁶⁹ Defra noted that one issue was that some EU BCPs requested that EHCs were signed and stamped in a particular colour of ink, which Defra had resolved through engagement with the European Commission.⁷⁰

17. There were particular issues for lorries carrying “groupage” loads—these are where a single lorry carries consignments of different products, or from different companies, or both.⁷¹ Nick Allen told us that “smaller businesses depend on groupage”, because, as Shane Brennan noted, they “do not necessarily ever get to the sorts of volumes you need in order to do a full-load operation”.⁷² For meat exports, the BMPA noted that groupage “probably covered 40% of meat sales to the EU”, while Donna Fordyce, Chief Executive of Seafood Scotland, explained that, for seafood exporters, “groupage is a big part, especially for Scotland, of how we operate into Europe”.⁷³ From 1 January, each consignment within a lorry load required its own EHC—if one consignment’s EHC was incorrect, the lorry was delayed at the EU border. The International Meat Trade Association said that “the complexity of needing EHCs and facing veterinary checks is multiplied in a groupage load”,⁷⁴ and Plymouth Trawler Agents Limited noted that “the risk of an entire lorry load being rejected or seriously delayed because of a mistake on part of the consignment is prohibitive”.⁷⁵ Defra acknowledged that the “additional complexities that arise with groupage has been the most common problem for meat exports”.⁷⁶

18. One consequence of these initial problems was that DFDS, a shipping and logistics company, closed its Larkhall distribution centre—a key “hub” (see paragraphs 44 to 47) near Glasgow for Scottish seafood that supported the use of groupage—from 8 January for 10 days, a measure which Eddie Green said was “not part of our plan at all”.⁷⁷ Mr Green explained that DFDS took this action because “there were breakdowns in Government-based systems in this country and France”, that uploading the new documentation was “a nightmare”, while more generally “things just did not gel together and we could not get the cargo through”.⁷⁸ Donna Fordyce said that during the period when groupage was suspended during January, there had been an increase in direct landings of fishing vessels into the EU (which obviated the need for SPS checks).⁷⁹

19. There has been praise for how Defra officials have reacted when exporters raised concerns since 1 January. MacDuff Shellfish said it recognised the “efforts of Government

68 [Q55](#)

69 Department for Environment, Food and Rural Affairs ([SME0036](#))

70 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 1.7

71 NFU Scotland ([SME0016](#)) para 17

72 [Q64](#); [Q112](#)

73 British Meat Processors Association ([SME0018](#)); [Q5](#)

74 International Meat Trade Association ([SME0003](#)) para 6

75 Plymouth Trawler Agents ([SME0012](#))

76 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 3.1

77 [Q118](#)

78 [Q118](#)

79 [Q13](#)

to seek speedy resolution of many of the points raised by the industry” since 1 January.⁸⁰ The BMPA said that Defra had “worked hard to help businesses with problems overcome them and have been very reactive to problems raised”, although issues with some guidance remained, while webinars and briefings were a “mixed bag” with some officials “unable to answer some quite basic questions” or sometimes giving “incorrect or confusing answers”.⁸¹ Defra highlighted that it was working with industry and authorities in the EU, including weekly engagement with the French authorities and the EU Commission, in order to “resolve any areas of inconsistency, and to understand delays”.⁸² It said that this approach had “reduced time taken for border checks, enabled us to provide updated guidance (e.g. in how to complete export paperwork), and improved business confidence”.⁸³ Domestically, it had established a “UK Seafood Exports Working Group” that meets twice-weekly and is attended by over 60 seafood businesses and organisations.⁸⁴

20. As a result of these measures, combined with “people getting used to ... new systems [and] new paperwork” as Charlie Dewhurst, Senior Policy Adviser at the National Pig Association, highlighted, there was evidence that the new trading arrangements were bedding down.⁸⁵ James Russell, President of the BVA, said that for EHCs presented at the French border, “in the first week in January, around 90% of loads were non-compliant” whereas by mid-March this had improved markedly to a non-compliance rate of 8%, with “slightly less than a third of that related to the quality of the certification”.⁸⁶ Eddie Green said comparing January with the situation in mid-March was “just night and day” and that “a lot of the teething problems have gone away”—including that the Larkhall facility had resumed a next day groupage service to the main French Channel port for seafood imports, Boulogne-sur-Mer.⁸⁷ The NFFO observed that delays at the border at Boulogne had fallen from “up to 96 hours” in early January to “around 3 hours”.⁸⁸

21. Martyn Youell said that “while some things have settled down ... we feel that at least 80% of the trading difficulties that have been encountered are still in existence today”.⁸⁹ Eddie Green said that there remained the “structural issue” of increased costs of exporting to the EU, explaining it was now costing DFDS “more money so we need to increase our rates”, but added that “the biggest impact is on the exporter and the sheer cost of the [export] health certificates ... [and also] export declarations, import declarations and the like”.⁹⁰ Plymouth Trawler Agents Limited said that “the additional bureaucracy and delays have increased costs—which cannot be passed on to end buyers if the UK is to remain competitive and not lose customers”.⁹¹ There also continue to be issues at the border. Waterdance Limited highlighted the case of a lorry load of 500kg of Dover Sole and around 9 tonnes of whole scallop that was “arbitrarily rejected” at the EU border on 27 March, and noted that there were no “public officials available at weekends to help resolve this situation”.⁹²

80 MacDuff Shellfish ([SME0002](#)) para 5

81 British Meat Processors Association ([SME0018](#))

82 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 4.3

83 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 4.3

84 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 4.6

85 [Q57](#)

86 [Q86](#)

87 [Qq105, 118](#)

88 National Federation of Fishermen’s Organisations ([SME0031](#)) paras 10 and 13

89 [Q2](#)

90 [Q105](#)

91 Plymouth Trawler Agents ([SME0012](#))

92 Waterdance Limited ([SME0040](#))

22. Problems persist with groupage. For meat exporters, Shane Brennan said that there had been a “collapse in groupage”, a view shared by Nick Allen who said that “some haulage firms have just walked away” from operating groupage after the first week of the new trading arrangements “because it was just too complicated for them”.⁹³ David Kennedy conceded that groupage to the EU remained “very difficult” but that Defra was “working on solutions that will bring back groupage”, while the Secretary of State told us that Defra had agreed new protocols on groupage with the EU.⁹⁴ We explore the opportunities that hubs offer to help businesses further in paragraphs 44 to 47.

Export volumes and long-term impacts

23. Government data for January 2021 showed that food and live animal exports to the EU were 63% lower than in December 2020.⁹⁵ In contrast, exports to non-EU countries were 14% lower over the same period.⁹⁶ The Office for National Statistics (ONS) cautioned that monthly data is “erratic”, and the Secretary of State said that stockpiling and the impact of covid-19 on the hospitality market could also be factors, but acknowledged that “some people were cautious about entering the market during January”. The British Poultry Council noted that, even by February, export volumes to the EU were “around a half of normal” as poultry businesses adopted the “cautious” approach referred to by Mr Eustice.⁹⁷ Market prices have also fallen; Martyn Youell noted that the online auctions held by Brixham Trawler Agents experienced a “dramatic decrease” in the number of EU buyers buying during January, which “inevitably fed through into the prices paid”.⁹⁸ On one day in January, the price of Dover Sole was 25% lower on the Brixham market than the Belgium market which Waterdance et al said was “purely the impact of Brexit” rather than other factors, such as covid-19.⁹⁹

24. Commenting on the January export data, Shane Brennan said “we have been pre-conditioned to this idea that 40% or 50% collapses is what we expect. That is what we have been talking about up until now, and that is a catastrophe”.¹⁰⁰ Looking to the coming months, Mr Brennan said that “while we will probably rebound, because there is a lot of Covid effect in there, if we rebound to 10% or 15% short of where we were, that is still a disaster”, and that there would be “big winners and losers within that [decline], inevitably”.¹⁰¹ The Secretary of State said that it was “difficult to predict exactly what will happen” to seafood and meat exports to the EU during the rest of 2021 and whether they would return to their pre-1 January levels.¹⁰² Highlighting the unpredictability, at our hearing on 25 March Mr Eustice said it was “difficult to predict exactly what the trade figures for February will be”.¹⁰³ Those figures, published on 13 April, showed food and

93 [Q73; Q105](#)

94 [Qq135, 183](#)

95 Office for National Statistics, [Statistical bulletin - UK trade: February 2021](#), 13 April 2021, section 4

96 Office for National Statistics, [Statistical bulletin - UK trade: February 2021](#), 13 April 2021, section 5

97 Office for National Statistics, [Statistical bulletin - UK trade: January 2021](#), 12 March 2021, p 3; [Qq134–135](#); British Poultry Council ([SME0030](#)) para 8

98 [Q12](#)

99 Western Fish Producers’ Organisation, Waterdance Ltd, More Seafood, Brixham Trawler Agents, Samways Fish Merchants & International Transporters, Passmore Fishing ([SME0017](#))

100 [Q107](#)

101 [Qq107, 112](#)

102 [Q134](#)

103 [Q134](#)

live animal exports to the EU were 77% higher than in January 2021, but still 10.8% lower than in February 2020 (before the covid-19 pandemic caused lockdowns in the UK and Europe).¹⁰⁴

25. Shane Brennan said that the decline in seafood and meat exports since 1 January—whether due to Brexit, covid-19 or other issues—risked a “habit that gets formed of not buying from the UK”, and that this was already “quite well entrenched after three months”.¹⁰⁵ Donna Fordyce concurred, saying “the reputation of the UK is being lost day by day”.¹⁰⁶ There was also evidence that the additional costs and delays were increasing the risk of businesses relocating to the EU. The BMPA said that in response to a 60% decline in their UK exports, one multinational business had “made about two thirds of this up by shifting production out of UK”.¹⁰⁷ Nick Allen described this as “exporting jobs and exporting added value” and cautioned that moving production to the EU was not an option for smaller British meat processors, who would instead have to rely on the domestic market.¹⁰⁸ Similarly, Donna Fordyce said that for seafood exports it was “easier to truck out whole fish rather than process it”, adding that this was creating a “real concern for the processing sector” who had “mothballed their processing at the moment, and they are laying off staff”.¹⁰⁹ Martin Youell said that some seafood exporters were “seriously considering relocating parts of their processing businesses to the EU because of the difficulties we face at the moment”.¹¹⁰

26. We welcome the successful negotiation of the Trade and Co-operation Agreement (TCA) with the EU, and its preservation of tariff and quota free trade for seafood and meat. However, the Agreement introduces substantial non-tariff barriers for such exports, in particular the requirement for an Export Health Certificate (EHC). Although there have undoubtedly been “teething issues”, there has also been a structural change in how British businesses export produce to the EU since 1 January. The substantial new paperwork, and checks at the EU border, have added costs, delays and uncertainty to the export process for highly time-sensitive seafood and meat exports. We believe that insufficient priority was given by the Government to reaching a deal on minimising or removing the need for SPS checks in the TCA.

27. We commend seafood and meat exporters on their efforts to prepare for the new trading environment with the EU amidst the covid-19 pandemic, and acknowledge the considerable uncertainty of what they were preparing for. In as much as this uncertainty similarly hampered the Government in what support and guidance it could provide before 1 January, we believe that seafood and meat exporters have not received the standard of support they should have done to allow them to prepare. Guidance was not sufficiently timely, targeted or joined-up. This has especially impacted smaller businesses, many of whom are handling export red tape for the first time. As the case of live bivalve molluscs (LBM) highlighted, Defra should have engaged with exporters more closely, in this case by sharing information it had received from the European Commission allowing the industry to point out that it did not provide the clarity Defra officials thought it did. This resulted in the Government making a mistake in

104 Office for National Statistics, [Statistical bulletin - UK trade: February 2021](#), 13 April 2021, section 4

105 [Q107](#)

106 [Q4](#)

107 British Meat Processors Association ([SME0018](#)) p 3

108 [Q65](#)

109 [Q13](#)

110 [Q7](#)

how the Commission would apply the relevant regulations, leading to the industry being compromised when it became clear that exports of LBM from aquaculture in Class B and C water that had not been deperated would be blocked. We believe that the European Commission could and should have taken a more pragmatic approach to the interpretation of these rules. *If the Government believes the EU to be legally incorrect, the Government should urgently challenge the European Commission's stance.*

28. The Government should also have worked more closely with the EU and Members States to test systems in advance of 1 January, pre-empting some of the teething problems exporters faced in January. *The UK Government should learn from this, and in advance of the imposition of full import checks over the next year (see chapter 4) it should work with EU Governments and UK importers to properly test the UK's arrangements.*

29. Since the Transition Period ended, Defra has worked with stakeholders to resolve these teething problems and we commend its efforts. However, the new non-tariff barriers for exporters to the EU will impose substantive and enduring costs. As a result, larger businesses may move the processing of seafood and meat to the EU, while smaller businesses may find that exporting food to the EU is unviable. We make several recommendations in the rest of the report for how these barriers can be minimised.

Certifying Officers

30. Only a certifying officer can sign and stamp an EHC. They can either be an Official Veterinarian (OV) or (for seafood only) an Environmental Health Officer (EHO). Defra estimated in October 2020 that “around 200 Full Time Equivalent (FTE) Official Vets (OVs)” would be required to certify export of POAO from Great Britain after the end of the Transition Period.¹¹¹ The BVA said that “businesses involved in export certification work put the number higher, requiring at least 350 FTE additional vets”.¹¹² The BVA said that “translating an FTE figure into the actual number of OVs needed is more complex because many qualified vets operating in the private certification market certify health certificates alongside other veterinary activities”.¹¹³ Further complicating the picture “there is a range of OV qualifications tailored to specific types of export” so geography would be a factor as OVs with the correct qualifications would be needed in the right places to meet the needs of local producers.¹¹⁴ According to James Russell the number of vets qualified to certify EHCs had risen from “around 900 people ... to, at the last count, just on the plus side of 1,800 people” and that there had been “some great steps put in place” including Government funded training.¹¹⁵

31. The Government also provided £1.1 million at the end of 2020 to local authorities to increase EHO certifier capacity for seafood EHCs.¹¹⁶ Furthermore, the APHA had also put in place “surge capacity” for OVs, and introduced the Certification Support Officer

111 [PQ 96843, 5 October 2020](#)

112 British Veterinary Association ([SME0027](#)) para 17

113 British Veterinary Association ([SME0027](#)) para 17

114 British Veterinary Association ([SME0027](#)) para 17

115 [Q96](#)

116 [PQ 157154, 3 March 2021](#)

(CSO) role who can collect the evidence required for the OV to complete an EHC. There are now some 400 CSOs.¹¹⁷ The BVA supported this move and called for an increase in the number of CSOs “to help to optimise limited veterinary resource”.¹¹⁸

32. David Kennedy said that “there is enough capacity in the system” at present, citing the absence of demand for the surge capacity to date.¹¹⁹ The BVA agreed that “thus far, veterinary capacity has not yet been a barrier” but cautioned that it was “too early to tell” given the fall in export volumes to the EU.¹²⁰ Mr Russell said the BVA “still do not have the confidence” that there are sufficient OVs “to do everything that is being asked for”.¹²¹ The National Sheep Association said that OVs to certify EHCs were “in high demand, short supply, and their services are expensive”.¹²² Nick Allen said that some BMA members were “starting to say ... [that they] are struggling to find vets to sign certificates in particular areas”.¹²³ The Pet Food Manufacturers’ Association said that one of its “major members has had to shut down a factory because there are insufficient vets” available to sign EHCs.¹²⁴

33. Mr Kennedy conceded that “there will be increased demand” for certifying officers as covid-19 restrictions are relaxed and the use of groupage increases, but there “will be increasing capacity, because vets are getting better and doing export health certification with less time and less resource”.¹²⁵ He added that the Government are watching the amount of capacity “very closely”.¹²⁶

34. The extent of these concerns was highlighted in a paper by Defra to the Royal College of Veterinary Surgeons (RCVS) that it considered at its 18 March 2021 Council Meeting.¹²⁷ Defra said that despite the actions it had taken to increase the number of suitably-trained OVs to certify EHCs, “there is still a risk that export certification capacity will be insufficient to meet demand” which could mean that “exports of UK products of animal origin are constrained”.¹²⁸ Defra also noted that evidence of higher salaries for vets certifying EHCs and an active recruitment market both “threaten to attract vets away from abattoir work”, namely meat hygiene control work, which is also undertaken by OVs.¹²⁹ This was one of several factors which caused Defra to warn that it “currently anticipate[s] a severe shortage of OV capacity in abattoirs in England and Wales over the next 6–12 months”.¹³⁰ Defra therefore asked the RCVS Council to amend its temporary register rules for 12 months to allow temporary registrants to “carry out specifically defined OV work” including

117 Oral evidence taken before the Public Accounts Committee on 21 January 2021, [HC \(2019–21\) 1154](#), Q79

118 British Veterinary Association ([SME0027](#)) para 18

119 [Q180](#)

120 British Veterinary Association ([SME0027](#)) para 12

121 [Q96](#)

122 National Sheep Association ([SME0029](#))

123 [Q73](#)

124 Agriculture and Horticulture Development Board ([SME0014](#)) para 15; Pet Food Manufacturers Association ([SME0023](#))

125 [Q180](#)

126 [Q180](#)

127 Royal College of Veterinary Surgeons, [Council Meeting: Thursday, 18 March 2021](#), March 2021

128 Royal College of Veterinary Surgeons, [Council Meeting: Thursday, 18 March 2021](#), March 2021

129 Royal College of Veterinary Surgeons, [Council Meeting: Thursday, 18 March 2021](#), March 2021

130 Royal College of Veterinary Surgeons, [Council Meeting: Thursday, 18 March 2021](#), March 2021

providing official meat hygiene controls in England and Wales.¹³¹ It did not request a relaxation for OV's certifying EHCs, but said it would "if we determined that there was a significant risk that exports requiring EHCs or trade to NI requiring EHCs would be at significant risk within the following three months".¹³² The RCVS Council approved Defra's application by eleven votes to ten with three abstentions.¹³³

35. The Government took early steps to secure a significant increase in capacity to deal with the substantial increase in demand for certification officers, and there does not appear to have been significant shortages. However, we note that increased demands for Official Veterinarians (OVs) to certify EHCs have reduced the number available to undertake vital meat certification work in slaughterhouses. We also note that some businesses are experiencing difficulties securing the certification of EHCs. We are further concerned that the introduction of new EU EHCs and a recovery in export volumes may create challenges in the short-term. *Given the important role certifying officers play in ensuring the export of seafood and meat to the EU, Defra should closely monitor the availability of certifying officers to ensure businesses can readily access them when they need them and at appropriate rates. Should Defra make a request to the Royal College of Veterinary Surgeons (RCVS) to allow the temporary registration of OV's certifying EHCs, it should inform this Committee immediately.*

36. As noted above, most OV's are in private practice and carry out certification work alongside other activities.¹³⁴ This approach was "devised at a time when we did not have Brexit" and the volume of exports requiring an EHC was "so much lower than they are now" according to Shane Brennan.¹³⁵ He said that in "pretty much every country in the world" OV's are government employees, which he said was a "recognition of the vital public interest involved in the service of vouching for the quality and safety of the nation's food".¹³⁶ Gary McFarlane said that in Northern Ireland OV's and EHO's are all part of the public service, in contrast to the reliance on private vets in England.¹³⁷ David Kennedy said that England had a market for OV's which was "working well", adding that it was not possible to have a mix of public sector OV's alongside a market for OV's.¹³⁸ However, Defra was able to "buttress" the private market through the availability of surge capacity.¹³⁹ **There is merit in exploring the creation of a public sector service of full-time certifying officers, especially given the Government's desire to increase food and drink exports. This could increase confidence that EHCs would be promptly certified and provide a standardised pricing structure. *Defra should examine the experience of other countries which provide a public sector certification service and publish a report on its findings within the next twelve months.***

131 Royal College of Veterinary Surgeons, [Council Meeting: Thursday, 18 March 2021](#), March 2021; "[UK revises veterinary rules in abattoirs as Brexit pressures mount](#)", The Cattle Site, 29 March 2021. The Veterinary Surgeons Act (VSA) 1966 sets out the criteria for registration with the RCVS and therefore to practise veterinary surgery in the United Kingdom. The VSA allows an exception to the requirement for Full Registration, namely Temporary Registration which enables certain veterinary surgeons holding qualifications that do not make them eligible to register under any other section of the VSA eligible to apply for Temporary Registration [Royal College of Veterinary Surgeons, [Temporary Registration Requirements / Guidance Notes](#), November 2018, paras 1 and 3].

132 Royal College of Veterinary Surgeons, [Council Meeting: Thursday, 18 March 2021](#), March 2021

133 "[UK revises veterinary rules in abattoirs as Brexit pressures mount](#)", The Cattle Site, 29 March 2021

134 [PQ 96843, 5 October 2020](#)

135 [Q122](#)

136 "[Our food industry cannot scale Brexit barriers without a leg-up](#)", The Times, 25 January 2021

137 [Q101](#)

138 [Q181](#)

139 [Q181](#)

3 Measures to ease burdens on exporters

Digitisation of EHC certification

37. Although EHCs—which are required for many seafood and meat exports to the EU—can be completed online, they have to be certified (i.e. signed and stamped) in hard copy form. The National Sheep Association said this “archaic system ... hinder[s] trade”.¹⁴⁰ Many witnesses called for the electronic certification of EHCs to be introduced. Charlie Dewhirst said that certification of EHCs were “the biggest problem and probably the easiest to digitise and modernise”, while Martyn Youell said “simple things like electronic signatures on documents would move us forward”.¹⁴¹ The BMPA said that electronic certification would allow EU BCPs to conduct procedures in advance, so facilitating the passage of lorries.¹⁴² The Secretary of State said that digital solutions were being explored in regard to the movement of POAO from Great Britain to Northern Ireland and, if successful, such approaches might be applied to Great Britain’s trade with the EU but only “if there were an appetite for engagement on this from the European Union”.¹⁴³ David Kennedy added that discussions with the European Commission on the interface between their respective import and export systems were underway, and that it was “feasible that, by the end of the year, we can have these interfaces working. They are challenging, but they are doable if the political will is there”.¹⁴⁴

38. Digital certification of EHCs is a vital step to reducing trade friction with the EU. We acknowledge that the Government cannot require the European Union to accept electronic certification for GB seafood and meat exports. Nevertheless, the Government should make agreement on the digital certification of EHCs a priority in its discussions with the EU, while also ensuring that the necessary technical challenges are overcome to enable certifying officers to easily certify EHCs online. Reaching such an agreement may become easier once EU imports to the UK are faced with the same paperwork.

£23 million seafood fund

39. In response to the problems seafood exporters faced after 1 January, on 19 January the Government launched the Seafood Disruption Support Scheme (SDSS) with funding of £23 million. The SDSS was targeted at those SMEs who had “incurred an actual loss” in the process of exporting seafood to the EU and covered a proportion of losses—up to £100,000—incurred during January. Defra explained that the SDSS did not cover “opportunity losses”—where exporters did not or could not export to the EU—as it was “necessary to ensure that payments could be checked against evidence of losses” although it conceded that the exclusion of opportunity losses as well as business costs had “created some negative perceptions from the sector on the scheme”.¹⁴⁵ Donna Fordyce said that there had been “a lot of anger” within the seafood sector about the SDSS because it did not

140 National Sheep Association ([SME0029](#))

141 [Q3](#)

142 British Meat Processors Association ([SME0018](#))

143 [Q209](#)

144 [Q211](#)

145 Department for Environment, Food and Rural Affairs ([SME0036](#)) paras 5.1–5.3

cover the losses they had incurred to fulfil their contracts.¹⁴⁶ Chapmans of Rye and Rother and Wealden District Council Environmental Health said that the SDSS was “useless” for those seafood exporters who had “worked tirelessly to prepare for Brexit”, and instead was “rewarding failure” by compensating firms “that have not put in the time and effort to perfect their paperwork”.¹⁴⁷ The submission from Waterdance et al said that the SDSS was “not fit for purpose” as it excluded the costs businesses had incurred in preparing for the new trading environment, and added that businesses “may only be able to claim small amounts”.¹⁴⁸ Martyn Youell of Waterdance Limited described the cap on claims of £100,000 as “a bit arbitrary”.¹⁴⁹ The Secretary of State said that the SDSS was intended to help businesses that had been “grappling with some complicated situations” which meant they were not ready, and that the £100,000 cap allowed the fund to be “more evenly distributed”.¹⁵⁰ The International Meat Trade Association said that a scheme similar to the SDSS should be available for meat exporters, who had also faced rejected consignments and lost product as a result.¹⁵¹ The Secretary of State said that meat exporters had experienced “fewer issues”, and that “generally speaking, although meat processors have obviously not welcomed the additional paperwork, they have managed it far better” helped by their lower use of groupage.¹⁵²

40. On 21 February, the Government announced an additional scheme within the original £23 million funding envelope: the Seafood Response Fund (SRF).¹⁵³ The SRF provides a grant payment to catching and shellfish aquaculture businesses “to cover three months of average business fixed costs, for example maintenance and repairs, insurance and gear hire, incurred between January and March 2021”.¹⁵⁴ The SRF was welcomed by Sarah Horsfall who said it was “very fair” that the £23 million funding “has been widened out to include the fishing fleet”, although Donna Fordyce was disappointed that the processing sector was still excluded.¹⁵⁵

41. While the Seafood Disruption Support Scheme helped to compensate some SME seafood businesses for the teething problems they faced in January, it did not offer compensation to businesses who had incurred costs preparing for the new trading environment with the EU. The arbitrary £100,000 cap on claims also meant that some larger businesses are still faced with losses. We welcome the Seafood Response Fund as a better way of supporting seafood exporters with the initial costs incurred from adjusting to the new trading regime. Both schemes demonstrate Defra’s commendable engagement with the seafood sector. *The Government should take a flexible stance on the size of the £23 million funding envelope, and the cap on individual payments, once it has analysed the applications received in order to ensure that seafood exporters receive the necessary support to overcome the teething issues from the new trading arrangements with the EU. Defra should create similar schemes to support meat exporters during the initial period of the new trading arrangements with the EU.*

146 [Q27](#)

147 Chapmans of Rye and Rother and Wealden District Council Environmental Health ([SME0009](#))

148 Brixham Trawler Agents, More Seafood, Passmore Fishing, Samways Fish Merchants & International Transporters, Waterdance Ltd and Western Fish Producers’ Organisation ([SME0017](#))

149 [Q26](#)

150 [Q167](#)

151 International Meat Trade Association ([SME0003](#)) para 9

152 [Q170](#)

153 “Increased support for fishing and shellfish businesses”, Department for Environment, Food and Rural Affairs [press release](#), 21 February 2021

154 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 5.4

155 [Q27](#)

Longer-term support for seafood and meat exporters

42. Martyn Youell noted that the interventions like the SDSS and SRF “can only ever help you over a very short period of time. It cannot sustain an unviable export model”.¹⁵⁶ In terms of longer-term support, the NFU highlighted the Movement Assistance Scheme (MAS). This helps those businesses moving agri-food goods from Great Britain to Northern Ireland that require an EHC, with the Government meeting the cost of inspection and certification until 2023.¹⁵⁷ The NFU called on the Government to “replicate such an approach on trade between GB and EU”, a view echoed by Nick Allen who noted that “some other countries that we are competing with do stand the cost of all this export health certification”.¹⁵⁸ The Secretary of State disagreed, saying that the MAS was to support “domestic trade within the United Kingdom” and said that “there would be problems under WTO rules if you were to subsidise or help people with the documentation for exporting to the EU market, but not for exporting to other third countries around the world”.¹⁵⁹

43. Certification of Export Health Certificates have created additional costs to businesses, which fall disproportionately on SMEs. Defra should explore a version of the Movement Assistance Scheme that supports businesses with the cost of exporting seafood and meat and other food. Such a scheme could apply to the EU and other third countries, helping exporters to explore new markets and support Global Britain especially as the economy recovers from the covid-19 pandemic. The design of such a scheme should be time-limited and focused on SMEs.

Groupage and the hub-based approach

44. As noted in paragraphs 17 and 18, there have been particular issues with groupage consignments of POAO. The role of hubs as a potential solution to groupage problems was highlighted during the inquiry. Consignments of different produce from different companies are sent to a distribution hub where they are consolidated into a single lorry load, thereby reducing transport costs for businesses. An example is DFDS’s Larkhall distribution centre, which is located south of Glasgow on the M74, which Eddie Green said “is a natural funnel ... All the fish coming out of Scotland passes down on the road” on the way to the Dover Strait ports—the fastest route to many European markets. This means that sending produce to the hub does not unduly increase the journey distance to market. The Larkhall site had been operating for the past 20 years, with the introduction of SPS checks for exports to the EU certification as well as consolidation now taking place at Larkhall too. Instead of producers having to arrange EHC certification locally, Eddie Green said that Food Standards Scotland staff were based at the hub providing “a lot of benefit in terms of processing the [export] health certificates” including standardisation as the same officials dealt with the same produce and the same EHCs every day.¹⁶⁰ Shane Brennan said “the hub model that DFDS has developed, in partnership with the Scottish authorities, is fantastic”.¹⁶¹ Chapmans of Rye and the Environmental Health Service of Rother and Wealden highlighted that they had worked together to establish an export hub

156 [Q26](#)

157 “*Movement Assistance Scheme to support agrifood traders*”, Department for Environment, Food and Rural Affairs [news story](#), 16 December 2020; Department for Environment, Food and Rural Affairs, [Letter from the Permanent Secretary to the Secretary of State: Movement Assistance Scheme](#), 3 December 2020

158 National Farmers’ Union ([SME0028](#)) para 25; [Q78](#)

159 [Q172](#)

160 [Qq120–121](#)

161 [Q122](#)

and “shared their skills and resources to create a system that works for local fishing fleets” in Sussex and Kent. They called for the Government to invest in export hubs because they are “expensive and time consuming” but were “the only way that exporting fish will be able to succeed”.¹⁶²

45. However, Shane Brennan said that the Larkhall distribution centre “benefits from geography” and “hubs are harder to work out when you are talking about other types of products of animal origin than fish because of that proximity”.¹⁶³ Where producers were “not grouped together and are disparate”, he advocated a model where “the vehicle can be the hub”. Mr Brennan said that this was the approach taken for “lots of our exports to the EU ... before 1 January”. In the new trading environment, however, he said it was a model “fraught with complexity and risk” due to the need for “trust between the customer and the haulier, and between the regulatory agencies”.¹⁶⁴

46. Defra said that it was “confident” that the hub model could “support businesses effectively” and that it was “looking at what lessons and experience can now be shared and applied across the UK”.¹⁶⁵ The Secretary of State added that “trying to make the hub model work and having more hubs in different parts of the country is going to be quite important to allow those smaller exporters to keep exporting in the way they have in the past”.¹⁶⁶ Mr Eustice said that Defra was involved in ongoing discussions about establishing a hub in the West Country, although he saw Defra playing a “facilitating role”.¹⁶⁷

47. As the problems that faced exporters in January highlighted, groupage is an important part of the export process especially for smaller businesses. With the new requirements for Export Health Certificates and other red tape when exporting seafood and meat to the EU, it is vital that groupage can be conducted efficiently, ideally without additional handling. Distribution hubs, where consignments are collated for groupage and can also be certified for EHC purposes, are an opportunity to help smaller businesses. We welcome Defra’s positive approach to hubs to date. *Given the particular importance of groupage for SMEs exporting seafood and meat to the EU, Defra should continue to act as facilitator and proactively encourage collaboration between stakeholders. It should establish a ring-fenced fund that is used to help establish hubs in circumstances where the private sector will not otherwise provide. Defra should also explore with stakeholders the scope for non-hub models of groupage.*

Live Bivalve Molluscs—classification of waters

48. Since 1 January, it has not been possible to export Live Bivalve Molluscs (LBM) from aquaculture from Great Britain to the EU unless they are either from the cleanest, Class A, waters or they have been purified prior to export—something which Sarah Horsfall said increased the mortality rate.¹⁶⁸ While the SAGB had put forward a number of proposals to help LBM fishers, Ms Horsfall said that the most helpful “would be if we could look quickly at the classification system for waters”.¹⁶⁹ She explained “we need to get into

162 Chapmans of Rye and Rother and Wealden District Council Environmental Health ([SME0009](#))

163 [Q122](#)

164 [Q125](#)

165 Department for Environment, Food and Rural Affairs ([SME0036](#)) para 3.1

166 [Q186](#)

167 [Qq183–184](#)

168 [Q37](#)

169 [Q37](#)

the detail of the classification and allow ourselves some of the flexibilities that exist not only in Scotland but in France, Spain and Italy. Everywhere else has a more permissive classification system than we do”.¹⁷⁰ The Secretary of State said that the Government was continuing to look at this issue, and noted that the Food Standards Agency (FSA) was considering a more “dynamic model” that classified production grounds according to the month of the year.¹⁷¹ On 1 April, the FSA issued revised classifications of LBM production grounds, which included “seasonal classification” which allowed eleven LBM production grounds to attain Class A status for several months.¹⁷² **Many production grounds for LBM in England and Wales are predominantly Class B under the current arrangements, and therefore produce from them is ineligible for export to the EU unless purified first. We welcome the Food Standards Agency’s (FSA) April 2021 seasonal classification of LBM production grounds in England which has upgraded eleven areas to Class A water status for several months of the year, so allowing export to the EU of LBM from aquaculture without purification. Defra and the FSA should ensure that the classification of bivalve mollusc production grounds in England and Wales is in step with Scotland and EU Member States to ensure that Class A status is fairly granted wherever possible including on a seasonal basis. This work should be undertaken with the utmost urgency given the issues facing LBM fishers since 1 January.**

170 [Q37](#)

171 [Q147](#)

172 Food Standards Agency, [Updated classifications of the bivalve mollusc production areas in England for 2020–2021](#), 1 April 2021

4 The delays to import checks

49. Import checks for most SPS products entering Great Britain from the EU will be introduced later this year. From 1 October, EHCs will be needed for POAO, and from 1 January 2022 such imports will have to enter Great Britain via a suitable Border Control Post (BCP) and checks at the border will commence. For live animal imports, the requirements commence on 1 March 2022.¹⁷³ Currently only those POAO under “safeguard measures” due to a new or emerging disease imported from the EU are required to be accompanied by an EHC, with physical checks undertaken at the point of destination on a “risk-led” basis.¹⁷⁴ In contrast the EU introduced controls and checks for all British exports to the EU immediately after the end of the Transition Period on 1 January 2021.¹⁷⁵

50. The timetable for the introduction of these import controls has been revised twice. Initially in February 2020, the Government stated it would introduce full controls and checks from 1 January 2021, in part because “the EU has said it will enforce checks on our goods”.¹⁷⁶ In June 2020, with the covid-19 pandemic having taken hold, the Government announced a phased introduction of controls and checks on EU SPS imports, “recognising the impact of coronavirus on businesses’ ability to prepare”.¹⁷⁷ The Government described this as a “flexible and pragmatic approach” that would “give industry extra time to make necessary arrangements”.¹⁷⁸ Under this approach, EHCs would have been required for EU imports of POAO from 1 April 2021, and checks at the UK border would have commenced from 1 July 2021.¹⁷⁹ In March 2021, with less than a month until the new arrangements began, the Government announced a further six-month delay to these dates saying that it had “listened to businesses who have faced an unprecedented challenge during the pandemic”.¹⁸⁰

51. The Secretary of State said that the first revision to the timetable was a consequence of the Government recognising that there were “uncertainties about how ready people would be and how things would flow at the border from day one”.¹⁸¹ As a result, the Government decided that it “should phase things in” in order to “gradually allow people to acclimatise themselves to the changes” following the end of the Transition Period.¹⁸² Mr Eustice took the view that the purpose of SPS controls and checks was to “ensure the safety of our food” rather than a “trade retaliation mechanism” which was “why we believed in the phased approach”.¹⁸³ In relation to the second revision to the timetable, the Secretary of State said that Great Britain would have been “ready to put in place the documentary checks we intended from 1 April”, but that the “anxiety was that there

173 Department for Environment, Food and Rural Affairs and Animal and Plant Health Agency, ‘[Importing or moving live animals, animal products and high risk food and feed not of animal origin](#)’, accessed 7 April 2021

174 HM Government, [The Border with the European Union - Importing and Exporting Goods](#) (December 2020), pp 70–71

175 European Commission, ‘[Questions & Answers: EU-UK Trade and Cooperation Agreement](#)’, accessed 7 April 2021

176 “Government confirms plans to introduce import controls”, [Cabinet Office press release](#), 10 February 2020

177 Department for Environment, Food and Rural Affairs (SME0036) para 8.1

178 Department for Environment, Food and Rural Affairs (SME0036) para 8.1

179 “Government accelerates border planning for the end of the Transition Period”, Cabinet Office [news story](#), 12 June 2020

180 “Government focuses on recovery from Covid with new timeline for border control processes on import of goods”, Cabinet Office [press release](#), 11 March 2021

181 [Q187](#)

182 [Q187](#)

183 [Q187](#)

might not be sufficient veterinary capacity in the EU and that EU businesses might not be prepared". The Government had therefore taken the decision to make "a modest change and move that back slightly, to ensure that, as we come out of lockdown and try to get back on our feet after this pandemic, we are not causing unnecessary friction at the border".¹⁸⁴ Shane Brennan, Chief Executive of the Cold Chain Federation, cautioned that the extra time created by the 6 month delay did not guarantee businesses in the EU would be ready for the new timetable.¹⁸⁵ He said that by delaying again, "the signal that has been sent" to EU businesses was that "it is all going to be pushed back". We are potentially postponing that lack of trader readiness problem" and that there would still be disruption when SPS imports checks were eventually introduced, a view shared by Richard Ballantyne, Chief Executive of the British Ports Association.¹⁸⁶

52. Witnesses cast doubt on whether British ports would have been ready for the introduction of SPS checks on EU imports from 1 July as the Government had planned. Richard Ballantyne said that "quite frankly, a lot of the infrastructure was not going to be ready" for 1 July, "particularly" because the allocation of the £200 million Government "Port Infrastructure Fund" was only determined in December 2020.¹⁸⁷ This fund was designed to help privately-owned ports prepare for the introduction of import checks; many projects did not receive the full allocation they had applied for.¹⁸⁸ It was reported in early March 2020 that Portsmouth International Port had scrapped plans for a live animal inspection post having receiving just over half of the funding it sought, while the Government-led project to build an inland border checkpoint for the Port of Dover—which handles by far the highest volume of lorry traffic of the UK's ports—was described as still being a "muddy field".¹⁸⁹ If the introduction of SPS checks at the border had commenced from 1 July 2021, Mr Ballantyne said that "one or two ports would have infrastructure ready, and gradually ports through the later summer would go online, but how would you have enforced that at various locations, with big locations potentially not being ready first?".¹⁹⁰ He described the Government's decision to delay the timetable for SPS import checks by six months as "very pragmatic", but accepted that the delay would create "consequences ... , of course, on trade balance".¹⁹¹

53. The National Pig Association said that it was "concerned" about the delay as it "perpetuates the imbalance between import and exports, giving EU companies a competitive advantage", adding: "if EU products can be imported without checks and therefore at a lower cost, it ultimately impacts on the price British farmers will receive for their pigs".¹⁹² Shane Brennan cautioned that the longer there was an asymmetry in SPS checks between the EU and Great Britain, "the more imbalance there is and the more reinforcing of the balance of trade differences there is on inbound versus outbound" and "businesses are going to make strategic decisions about where they locate, how they locate and what they move where".¹⁹³ The Secretary of State accepted that it would be "galling"

184 [Q139](#)

185 [Q131](#)

186 [Q131](#)

187 [Q127](#)

188 Department for Transport, [Port Infrastructure Fund - successful applicants](#), 17 December 2020; "[Port Infrastructure Fund Allocations Won't Be Sufficient, says BPA](#)", SeaNews, 17 December 2020; [Q127](#)

189 "[British ports say they are not ready for Brexit customs checks](#)", The Guardian, 7 March 2020; "[Why Dover is braced for customs gridlock after Brexit](#)", Financial Times, 18 October 2017

190 [Q127](#)

191 [Q127](#)

192 National Pig Association ([SME0039](#)) p 1

193 [Q116](#)

for British companies that their EU competitors did not currently face the same SPS checks when importing to Great Britain, although he said that it would be a “short-term difference”.¹⁹⁴

54. As the BVA noted, SPS checks “form a vital part of the biosecurity framework”.¹⁹⁵ Gary McFarlane, Northern Ireland Director of the Chartered Institute of Environmental Health, said that “there are risks to public health from delaying the introduction of [SPS] checks” on EU imports, especially in regard to “areas such as allergic reactions and mislabelling of products”, not least because of the “considerable ... potential to make significant amounts of money” for unscrupulous traders and criminal gangs, for example. Mr McFarlane added that “food crime is still a current risk” and highlighted that the Food Standards Agency’s National Food Crime Unit had “increased its capacity significantly just prior to our exit from the European Union”.¹⁹⁶

55. The Secretary of State said that there was “not really a risk in food safety” by delaying SPS import measures by a further six months.¹⁹⁷ He noted that EU food standards remained “fully in line with British law” given regulatory alignment persisted until 31 December 2020, meaning that “goods coming from the European Union fundamentally do not pose any more threat today than they did” before the Transition Period ended.¹⁹⁸ The FSA said that it “assess[ed] that the overall risk to food and feed safety has not increased as a result of leaving the EU” and that it had “seen no evidence to suggest that we are more at risk from food crime”.¹⁹⁹

56. Great Britain should have introduced SPS checks on all EU imports from 1 January 2021 to match the position taken by the EU. The continued absence of SPS checks and controls on EU imports undermines the competitiveness of British seafood and meat businesses in their home market, creates incentives to relocate factories and jobs to the EU, and increases risks around food safety and biosecurity. It also reduces the incentive for the European Commission to negotiate on SPS checks and controls while EU businesses mostly face no such checks when exporting to Great Britain. *It is crucial that the Government’s latest timetable for the introduction of SPS checks for EU imports is adhered to. The Government should ensure that a digitised process for certifying EHCs for EU imports is ready no later than 1 January 2022, so that reciprocity can be offered to the European Commission to speed up movements in both directions. The Government should inform the Committee every month of progress towards introducing the SPS import checks and controls.*

194 [Q188](#)

195 British Veterinary Association ([SME0027](#)) para 3

196 [Q92](#)

197 [Q187](#)

198 [Q190](#)

199 Food Standards Agency ([SME0038](#)) pp 3–4

5 Further discussions with the EU

57. During its trade deal negotiations with the EU, the UK had sought an “equivalence mechanism for SPS measures ... to determine and manage equivalence over time” as well as “reciprocal equivalence in certain commodities, reflecting UK-EU trade flows”, adding that these provisions on equivalence “should be based on recent EU free trade agreements, such as the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and the EU-NZ Veterinary Agreement”, so allowing “reduced levels of checks at the border” and “simplified certification”.²⁰⁰ However, as set out in Chapter 2, the TCA provided “very little” in regard to reducing the burden of additional trade friction, bureaucracy or the level of controls that would be required, according to the BVA.²⁰¹

58. The NFU said that the UK was “unique ... in the sense that we are trading with our closest neighbours in high value perishable fresh products and at least for the time being remains aligned in practice with EU rules” and called for the UK to “continue negotiations with the EU to simplify and streamline border procedures”.²⁰² The International Meat Trade Association said that the Government “needs to aim to improve the agreement reached and should seek a veterinary equivalence agreement with the EU” in order to reduce the level of physical checks and to simplify the certification process.²⁰³ Several witnesses concurred and put forward a number of proposals:

- Quality Meat Scotland called for “dynamic alignment of regulation with the EU in food safety” (whereby UK rules would track changes to EU rules) with the aim of “removing the need for certification and customs checks”;²⁰⁴
- NFU Scotland said that, given the EU and the UK have the same SPS rules in place, “agreements on equivalence and the mutual recognition of each other’s rules should be accepted”;²⁰⁵
- the National Sheep Association called for veterinary equivalence to be agreed with the EU “similar to with New Zealand which means only 1% of consignments are physically checked instead of 15%”;²⁰⁶
- the BMPA advocated “an agreement which, while not tied to regulatory alignment, is based in a high degree of mutual recognition and a bilateral consultative process which ensures that standards are broadly aligned on an ongoing basis”, and cited the EU/Swiss arrangements and its Joint Veterinary Committee as a “good example of this” through the creation of a “Common Veterinary Area”.²⁰⁷

59. On 11 March, the Government said that it “continue[d] to be interested” in discussions on an equivalence mechanism covering agri-foods “if the EU is open to them” although it would not agree to arrangements based on dynamic alignment “as this could

200 HM Government, *The Future Relationship with the EU: The UK’s Approach to Negotiations*, [CP211](#), February 2020, p 9

201 British Veterinary Association ([SME0027](#)) para 7

202 National Farmers’ Union ([SME0028](#)) para 26

203 International Meat Trade Association ([SME0003](#)) para 8

204 Quality Meat Scotland ([SME0007](#))

205 NFU Scotland ([SME0016](#)) para 3

206 National Sheep Association ([SME0029](#))

207 British Meat Processors Association ([SME0018](#))

compromise our future SPS rules and our trade agreements”.²⁰⁸ The Secretary of State said that “it is very important that we try to get back into a sensible bilateral relationship” and the Government “very much look forward to seeing a return to normal relations” with the EU.²⁰⁹ However, Mr Eustice cautioned that the prevailing circumstances were not conducive to negotiations, highlighting the fact that “everyone is very preoccupied with the huge coronavirus pandemic and all the challenges that creates”.²¹⁰ In addition, he added that “given some of the tensions over the Northern Ireland Protocol, the EU currently is not in the right kind of space to want to have such a dialogue” on a veterinary partnership agreement.²¹¹ However, he said “it is absolutely possible that there will be a thawing in relations”.²¹²

60. Shane Brennan cautioned that the delayed introduction of import controls and checks had “basically given the EU no incentive, in terms of the potential pain to its exporters bringing stuff into the UK, to get round the table and look at facilitations and easements for the UK food going the other way”.²¹³ Under the TCA, as the BVA explained, there is provision for a UK-EU “SPS specialised committee” to “discuss the operation of SPS arrangements and potentially seek further facilitations without compromising biosecurity”. The BVA added that “it is imperative that the UK government engages with industry and the veterinary profession to understand their practical experience of meeting the demands of exporting SPS goods and to work together to identify potential solutions to bring to the specialised committee”.²¹⁴ The Secretary of State told us that “it is only once it is ratified that the specialised SPS committee would be set up to deal with these sorts of disputes”.²¹⁵

61. As this Report highlights, the TCA has introduced considerable trade friction for seafood and meat exporters. We welcome the Government’s willingness to engage with the EU to seek an equivalence mechanism on agri-foods. *The Government should engage with the EU and adopt a pragmatic stance in the pursuit of a veterinary partnership agreement that reduces the non-tariff measures adversely affecting British seafood and meat exporters. In the meantime, the Government should take steps to ensure that the UK-EU SPS Specialised Committee can begin meeting as a matter of priority to help resolve the issues currently facing seafood and meat exporters. If ratification of the TCA is further delayed, the Government should urgently explore options to set it up prior to ratification.*

208 [HL Deb, 11 March 2021, col 1807](#)

209 [Q199](#)

210 [Q202](#)

211 [Q201](#)

212 [Q202](#)

213 [Q130](#)

214 British Veterinary Association ([SME0027](#)) para 8

215 [Q153](#)

Conclusions and recommendations

The introduction of SPS checks on exports

1. We welcome the successful negotiation of the Trade and Co-operation Agreement (TCA) with the EU, and its preservation of tariff and quota free trade for seafood and meat. However, the Agreement introduces substantial non-tariff barriers for such exports, in particular the requirement for an Export Health Certificate (EHC). Although there have undoubtedly been “teething issues”, there has also been a structural change in how British businesses export produce to the EU since 1 January. The substantial new paperwork, and checks at the EU border, have added costs, delays and uncertainty to the export process for highly time-sensitive seafood and meat exports. We believe that insufficient priority was given by the Government to reaching a deal on minimising or removing the need for SPS checks in the TCA. (Paragraph 26)
2. We commend seafood and meat exporters on their efforts to prepare for the new trading environment with the EU amidst the covid-19 pandemic, and acknowledge the considerable uncertainty of what they were preparing for. In as much as this uncertainty similarly hampered the Government in what support and guidance it could provide before 1 January, we believe that seafood and meat exporters have not received the standard of support they should have done to allow them to prepare. Guidance was not sufficiently timely, targeted or joined-up. This has especially impacted smaller businesses, many of whom are handling export red tape for the first time. As the case of live bivalve molluscs (LBM) highlighted, Defra should have engaged with exporters more closely, in this case by sharing information it had received from the European Commission allowing the industry to point out that it did not provide the clarity Defra officials thought it did. This resulted in the Government making a mistake in how the Commission would apply the relevant regulations, leading to the industry being compromised when it became clear that exports of LBM from aquaculture in Class B and C water that had not been deputed would be blocked. We believe that the European Commission could and should have taken a more pragmatic approach to the interpretation of these rules. *If the Government believes the EU to be legally incorrect, the Government should urgently challenge the European Commission’s stance.* (Paragraph 27)
3. The Government should also have worked more closely with the EU and Members States to test systems in advance of 1 January, pre-empting some of the teething problems exporters faced in January. *The UK Government should learn from this, and in advance of the imposition of full import checks over the next year it should work with EU Governments and UK importers to properly test the UK’s arrangements.* (Paragraph 28)
4. Since the Transition Period ended, Defra has worked with stakeholders to resolve these teething problems and we commend its efforts. However, the new non-tariff barriers for exporters to the EU will impose substantive and enduring costs. As a result, larger businesses may move the processing of seafood and meat to the EU,

while smaller businesses may find that exporting food to the EU is unviable. We make several recommendations in the rest of the report for how these barriers can be minimised. (Paragraph 29)

5. The Government took early steps to secure a significant increase in capacity to deal with the substantial increase in demand for certification officers, and there does not appear to have been significant shortages. However, we note that increased demands for Official Veterinarians (OVs) to certify EHCs have reduced the number available to undertake vital meat certification work in slaughterhouses. We also note that some businesses are experiencing difficulties securing the certification of EHCs. We are further concerned that the introduction of new EU EHCs and a recovery in export volumes may create challenges in the short-term. *Given the important role certifying officers play in ensuring the export of seafood and meat to the EU, Defra should closely monitor the availability of certifying officers to ensure businesses can readily access them when they need them and at appropriate rates. Should Defra make a request to the Royal College of Veterinary Surgeons (RCVS) to allow the temporary registration of OVs certifying EHCs, it should inform this Committee immediately.* (Paragraph 35)
6. There is merit in exploring the creation of a public sector service of full-time certifying officers, especially given the Government's desire to increase food and drink exports. This could increase confidence that EHCs would be promptly certified and provide a standardised pricing structure. *Defra should examine the experience of other countries which provide a public sector certification service and publish a report on its findings within the next twelve months.* (Paragraph 36)

Measures to ease burdens on exporters

7. Digital certification of EHCs is a vital step to reducing trade friction with the EU. We acknowledge that the Government cannot require the European Union to accept electronic certification for GB seafood and meat exports. *Nevertheless, the Government should make agreement on the digital certification of EHCs a priority in its discussions with the EU, while also ensuring that the necessary technical challenges are overcome to enable certifying officers to easily certify EHCs online. Reaching such an agreement may become easier once EU imports to the UK are faced with the same paperwork.* (Paragraph 38)
8. While the Seafood Disruption Support Scheme helped to compensate some SME seafood businesses for the teething problems they faced in January, it did not offer compensation to businesses who had incurred costs preparing for the new trading environment with the EU. The arbitrary £100,000 cap on claims also meant that some larger businesses are still faced with losses. We welcome the Seafood Response Fund as a better way of supporting seafood exporters with the initial costs incurred from adjusting to the new trading regime. Both schemes demonstrate Defra's commendable engagement with the seafood sector. *The Government should take a flexible stance on the size of the £23 million funding envelope, and the cap on individual payments, once it has analysed the applications received in order to ensure that seafood exporters receive the necessary support to overcome the teething issues*

from the new trading arrangements with the EU. Defra should create similar schemes to support meat exporters during the initial period of the new trading arrangements with the EU. (Paragraph 41)

9. Certification of Export Health Certificates have created additional costs to businesses, which fall disproportionately on SMEs. *Defra should explore a version of the Movement Assistance Scheme that supports businesses with the cost of exporting seafood and meat and other food. Such a scheme could apply to the EU and other third countries, helping exporters to explore new markets and support Global Britain especially as the economy recovers from the covid-19 pandemic. The design of such a scheme should be time-limited and focused on SMEs. (Paragraph 43)*
10. As the problems that faced exporters in January highlighted, groupage is an important part of the export process especially for smaller businesses. With the new requirements for Export Health Certificates and other red tape when exporting seafood and meat to the EU, it is vital that groupage can be conducted efficiently, ideally without additional handling. Distribution hubs, where consignments are collated for groupage and can also be certified for EHC purposes, are an opportunity to help smaller businesses. We welcome Defra's positive approach to hubs to date. *Given the particular importance of groupage for SMEs exporting seafood and meat to the EU, Defra should continue to act as facilitator and proactively encourage collaboration between stakeholders. It should establish a ring-fenced fund that is used to help establish hubs in circumstances where the private sector will not otherwise provide. Defra should also explore with stakeholders the scope for non-hub models of groupage. (Paragraph 47)*
11. Many production grounds for LBM in England and Wales are predominantly Class B under the current arrangements, and therefore produce from them is ineligible for export to the EU unless purified first. We welcome the Food Standards Agency's (FSA) April 2021 seasonal classification of LBM production grounds in England which has upgraded eleven areas to Class A water status for several months of the year, so allowing export to the EU of LBM from aquaculture without purification. *Defra and the FSA should ensure that the classification of bivalve mollusc production grounds in England and Wales is in step with Scotland and EU Member States to ensure that Class A status is fairly granted wherever possible including on a seasonal basis. This work should be undertaken with the utmost urgency given the issues facing LBM fishers since 1 January. (Paragraph 48)*

The delays to import checks

12. Great Britain should have introduced SPS checks on all EU imports from 1 January 2021 to match the position taken by the EU. The continued absence of SPS checks and controls on EU imports undermines the competitiveness of British seafood and meat businesses in their home market, creates incentives to relocate factories and jobs to the EU, and increases risks around food safety and biosecurity. It also reduces the incentive for the European Commission to negotiate on SPS checks and controls while EU businesses mostly face no such checks when exporting to Great Britain. *It is crucial that the Government's latest timetable for the introduction of SPS checks for EU imports is adhered to. The Government should ensure that a digitised*

process for certifying EHCs for EU imports is ready no later than 1 January 2022, so that reciprocity can be offered to the European Commission to speed up movements in both directions. The Government should inform the Committee every month of progress towards introducing the SPS import checks and controls. (Paragraph 56)

Further discussions with the EU

13. As this Report highlights, the TCA has introduced considerable trade friction for seafood and meat exporters. We welcome the Government's willingness to engage with the EU to seek an equivalence mechanism on agri-foods. *The Government should engage with the EU and adopt a pragmatic stance in the pursuit of a veterinary partnership agreement that reduces the non-tariff measures adversely affecting British seafood and meat exporters. In the meantime, the Government should take steps to ensure that the UK-EU SPS Specialised Committee can begin meeting as a matter of priority to help resolve the issues currently facing seafood and meat exporters. If ratification of the TCA is further delayed, the Government should urgently explore options to set it up prior to ratification. (Paragraph 61)*

Annex: Paperwork requirements and border checks for exporting meat from Great Britain to the European Union before and after 1 January 2021

Box 1: Paperwork requirements and border checks for exporting meat from Great Britain to the European Union prior to 1 January

Prior to 1 January

The haulier loads the goods onto a truck along with a consignment note (CMR).

Source: British Meat Processors Association, [UK Meat Industry Brexit Impact Report Q1. 2021](#), 23 March 2021

Box 2: Paperwork requirements and border checks for exporting meat from Great Britain to the European Union since 1 January

Prior to 1 January

Exporting business must have a GB Economic Operator Registration and Identification (EORI) number, and the premises must be listed an authorised establishment by the UK and EU. Product has a GB health identification mark.

- 1) The haulier is an authorised consignor who contacts the customer to arrange for the goods to arrive at an appropriate EU Border Control Post (BCP).
- 2) The EU customer submits a Common Health Entry Document (CHED) at least 24 hours in advance of the arrival of the goods.
- 3) The exporting business applies for an Export Health Certificate (EHC) via EHC Online. The EHC is sent to the exporting business's nominated Certifying Officer in preparation for inspection.
- 4) The certifying officer receives notification that the good are awaiting inspection, and prints out the EHC and supporting documents.
- 5) The certifying officer inspects the goods and confirms that the EHC requirements and all details in the application are correct.
- 6) The certifying officer stamps and signs each page of the EHC, including the versions translated into the language of the EU BCP and (if different) the destination country, and gives the EHC to the exporting business.
- 7) The exporting business scans the EHC and sends it to the customer, and gives the hard copy to the haulier transporting the goods.
- 8) The EU customer uploads the scanned EHC to the EU's Trade Control and Export System (TRACES-NT).
- 9) The haulier moves the goods using transit/Common Transit Convention (CTC). They have a transit guarantee in place as they are providing transport in GB and the EU..

10) The haulier pre-lodges a combined export, and safety and security declaration (EXS) on HM Revenue and Customs' CHIEF (Customs Handling of Import and Export Freight) system, so generating an Export Accompanying Document (EAD). They also submit a transit declaration into the New Computerised Transit System (NCTS) and generate the Local Reference Number (LRN).

11) NCTS validates and sets the Transit Accompanying Document (TAD) and the transit movement can start. The Movement Reference Number (MRN) is produced and the paper TAD and MRN is given to the haulier.

12) The haulier holds an EU EORI number and has also made the Entry Summary Declaration (ENS) entry into e.g. the French Import Control System (within two hours of the arrival of the ferry).

13) The haulier receives a Permission to Progress (P2P) departure message from CHIEF, telling him that the export has been discharged.

14) Up until 20 April: for lorries travelling via the Port of Dover or the Eurotunnel, the haulier completed the 'Check an HGV (C-HGV)' and after being issued a Kent Access Permit (KAP), the lorry was green routed to set off for Dover. There is an ongoing requirement for a negative covid-19 test before a lorry driver can travel to or through certain EU countries.

15) The lorry leaves for the border.

16) At the EU Border Control Post, SPS checks are conducted. Checks can be:

- A documentary check is an examination of official certifications, attestations and other commercial documents that are required to accompany a consignment.
- An identity check entails the visual inspection of a consignment in order to verify its content and labelling corresponds to the information provided in accompanying documentation.
- A physical check entails a check on the goods to verify that they are compliant with the sanitary and phytosanitary import requirements for the EU. This includes, as appropriate, checks on the consignment's packaging, means of transport and labelling. Temperature sampling for analysis, laboratory testing or diagnosis may also be required.

17) The BCP updates TRACES-NT with the outcome of the inspection of the meat, however approval by the UK Competent Authority is also required prior to release.

- 18) Once the checks are completed, the EU customer emails the CHED issued by the BCP and the reference of the transit declaration to the transit office.
- 19) The lorry leaves the BCP and the goods continue to the delivery address.
- 20) The EU customer checks NCTS and sees that the office of transit function has been completed.
- 21) The goods arrive at their destination within the EU.

Source: British Meat Processors Association ([SME0018](#)); British Meat Processors Association, [UK Meat Industry Brexit Impact Report Q1. 2021](#), 23 March 2021, p 5; HM Government, [The Border with the European Union - Importing and Exporting Goods](#), December 2020, p 202

Formal minutes

Thursday 22 April 2021

Virtual meeting

Members present:

Neil Parish, in the Chair

Ian Byrne	Barry Gardiner
Geraint Davies	Dr Neil Hudson
Dave Doogan	Mrs Sheryll Murray
Rosie Duffield	

Seafood and meat exports to the EU

Draft Report (*Seafood and meat exports to the EU*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 61 read and agreed to.

Annex and Summary agreed to.

Resolved, That the Report be the Eighth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

[Adjourned till Tuesday 27 April at 1.30 p.m.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 2 March 2021

Donna Fordyce, Chief Executive, Seafood Scotland; **Sarah Horsfall**, Co-Chief Executive, Shellfish Association of Great Britain; **Martyn Youell**, Senior Manager of Fisheries and Quota, Waterdance Limited

[Q1–53](#)

Nick Allen, Chief Executive Officer, British Meat Processors Association; **Charlie Dewhirst**, Senior Policy Advisor, National Pig Association; **Dan Phipps**, Chairman, National Sheep Association

[Q54–84](#)

Tuesday 16 March 2021

James Russell, President, British Veterinary Association (BVA); **Gary McFarlane**, Northern Ireland Director, Chartered Institute for Environmental Health

[Q85–103](#)

Shane Brennan, Chief Executive, Cold Chain Federation; **Richard Ballantyne**, Chief Executive, British Ports Association; **Eddie Green**, Head of Cold Chain, DFDS (UK)

[Q104–132](#)

Thursday 25 March 2021

Rt Hon George Eustice MP, Secretary of State, Department for Environment, Food and Rural Affairs; **David Kennedy**, Director General Farming and Biosecurity, Department for Environment, Food and Rural Affairs; **Ian Hewett**, Operations Director, Animal and Plant Health Agency

[Q133–215](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

SME numbers are generated by the evidence processing system and so may not be complete.

- 1 Agriculture and Horticulture Development Board ([SME0014](#))
- 2 Association of Independent Meat Suppliers ([SME0035](#))
- 3 Bluesail Fish Company and Ocean Harvest ([SME0004](#))
- 4 Bournemouth, Christchurch and Poole (BCP) Council ([SME0010](#))
- 5 British Game Alliance ([SME0026](#))
- 6 British Meat Processors Association ([SME0018](#))
- 7 British Poultry Council ([SME0030](#))
- 8 British Veterinary Association ([SME0027](#))
- 9 Brooks, Mr Neil ([SME0013](#))
- 10 Chapmans of Rye; and Rother District Council ([SME0009](#))
- 11 Chartered Institute of Environmental Health ([SME0032](#))
- 12 Cornwall and Isles of Scilly Local Enterprise Partnership ([SME0008](#))
- 13 Countryside Alliance ([SME0006](#))
- 14 Department for Environment, Food and Rural Affairs ([SME0034](#))
- 15 Department for Environment, Food and Rural Affairs ([SME0036](#))
- 16 Euro Quality Lambs ([SME0005](#))
- 17 Food Standards Agency ([SME0038](#))
- 18 Health Made Easy Ltd ([SME0001](#))
- 19 International Meat Trade Association ([SME0003](#))
- 20 Macduff shellfish ([SME0002](#))
- 21 NFU Scotland ([SME0016](#))
- 22 National Farmers' Union ([SME0028](#))
- 23 National Federation of Fishermen's Organisations ([SME0031](#))
- 24 National Pig Association ([SME0039](#))
- 25 National Sheep Association ([SME0029](#))
- 26 Pet Food Manufacturers Association ([SME0023](#))
- 27 Plymouth Trawler Agents ([SME0012](#))
- 28 Provision Trade Federation ([SME0024](#))
- 29 Quality Meat Scotland ([SME0007](#))
- 30 Royal College of Veterinary Surgeons ([SME0033](#))
- 31 Scotland Food & Drink ([SME0022](#))
- 32 Scottish Salmon Producers Organisation ([SME0025](#))
- 33 Seafood Scotland ([SME0015](#))

34 Shellfish Association of Great Britain ([SME0037](#))

35 Waterdance ([SME0040](#))

36 Western Fish Producers' Organisation; Waterdance Ltd; More Seafood; Brixham Trawler Agents; Samways Fish Merchants & International Transporters; and Passmore Fishing ([SME0017](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2019–21

Number	Title	Reference
1st	COVID-19 and food supply	HC 263
2nd	Pre-appointment hearing for the Chair-Designate of the Office for Environmental Protection (OEP)	HC 1042
3rd	The UK's new immigration policy and the food supply chain	HC 231
4th	Flooding	HC 170
5th	Air Quality and coronavirus: a glimpse of a different future or business as usual	HC 468
6th	Public Sector Procurement of Food	HC 469
7th	Covid-19 and the issues of security in food supply	HC 1156
1st Special	Plastic food and drink packaging: Government Response to the Committee's Sixteenth Report of Session 2017–19	HC 207
2nd Special	Beyond the Common Fisheries Policy: Scrutiny of the Fisheries Bill: Government Response to the Committee's Eleventh Report of Session 2017–19	HC 208
3rd Special	An Update on Rural Connectivity: Government Response to the Committee's Seventeenth Report of Session 2017–19	HC 228
4th Special	Coastal flooding and erosion, and adaptation to climate change: Interim Report: Government Response to the Committee's First Report of Session 2019	HC 272
5th Special	Scrutiny of the Agriculture Bill: Government Response to the Committee's Tenth Report of Session 2017–19	HC 273
6th Special	COVID-19 and food supply: Government Response to the Committee's First Report	HC 841
7th Special	Air Quality and Coronavirus: A Glimpse of a Different Future or Business as Usual: Government Response to the Committee's Fifth Report	HC 1362