



Department
for Environment
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Mr Neil Parish MP
Chair of the Committee
Environment, Food and Rural Affairs Committee
Committee Office
House of Commons
London SW1A 0AA

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Dear Neil,

Seafood and Meat Exports to the EU

Thank you for your letter of 6 July 2021. The Government remains fully committed to supporting meat and seafood exports, and we look forward to continuing to work with the committee, to support businesses in their trade with the EU.

Support to Exporters

We recognise that some businesses are facing additional costs as they adapt to new trading conditions, and we have worked at pace to support them, including through guidance and training on export processes, improving consistency across Border Control Posts, and establishing various financial support funds. The seafood sector in particular required support, and actions we have undertaken to financially support businesses include:

- The £23m fund used to deliver the Seafood Disruption Support Scheme (SDSS) and the Seafood Response Fund (SRF).
- The Fisheries and Seafood Scheme – available in England.
- An additional £32.7 million allocated in the Spending Review (equivalent to the average annual amount delivered through the European Maritime and Fisheries Fund) to provide short term support the UK seafood Sectors.
- Committing to deliver £100 million to help rejuvenate the industry and coastal communities across the UK.

We are committed to continue supporting the UK food and drink sector to export, and as my department explained in our response, extensive advice has been made available to support businesses as they adjust to the new requirements. Defra's reach and engagement with the agri-food sector is comprehensive and well-established and we will continue to ensure that the UK has a comprehensive understanding of current and emerging trade issues.

Unfortunately, notwithstanding this wide range of support, there are certain constraints to the types of support we can provide to businesses. Subsidising costs associated with export could be considered export subsidies, which are prohibited under World Trade Organisation competition rules, in particular the Agreement on Subsidies and Countervailing Measures



and the Agreement on Agriculture. This applies to all subsidies related to fisheries and meat exports. Additionally, principles of managing public money mean that it may not be appropriate to offer permanent financial assistance to subsidise the normal operating costs of businesses. Therefore, it is not possible to provide this form of support to these sectors.

Electronic Certification of EHCs

In relation to e-certification, development work is progressing ahead of schedule and a prototype has been built. We are aiming to test this with a limited stakeholder community through a private beta in the coming months. The system is forecast to be in place by the end of the year, and it will initially focus on Products of Animal Origin (POAO), with plants following later.

Import Checks Timetable Update

The phased implementation of import controls remains on track as set out previously, with the next stage commencing on 1 October. We are currently working on communications to ensure UK and EU trader readiness, and closely monitoring EU member state readiness, particularly with regard to certifier capacity. We will keep the committee updated on any significant changes, and trust the committee will be satisfied with updates being provided on that basis, as opposed to monthly.

SPS Equivalence

The Trade and Cooperation Agreement (TCA) represents a major achievement in facilitating trade between the UK and the EU, delivering a deal for the UK in record time, and under extremely challenging conditions. We have secured an unprecedented Free Trade Agreement (FTA) with no tariffs or quotas on goods traded. This is first time the EU has ever agreed complete tariff-free quota-free access in an FTA.

New Sanitary and Phytosanitary (SPS) requirements for agri-food trade with the EU, such as health certification and border checks, are part of the UK's transition away from being part of the EU Single Market to a relationship centred on free trade. These requirements apply to all the EU's other trading partners who do not align with their rules. What we have done in the TCA's SPS chapter is put in place a framework that allows the UK and the EU to take informed decisions to reduce their respective SPS controls over time, with a commitment to avoid unnecessary barriers. It is in both Parties' interests to pursue this through the Specialised Committee set up under the SPS chapter which will, among other responsibilities, review the Parties' SPS measures, including certification requirements and border clearance processes, and their application, in order to facilitate trade between the Parties. The TCA's SPS Annex (Annex 10) sets out principles to be used when setting the level of SPS border checks.

Despite some compromises to reach an agreement, the UK has secured its top priorities on SPS, which are autonomy for our domestic regime and protection of our biosecurity. Equivalence is a cornerstone of the WTO SPS Agreement to which both the UK and EU are party and has been agreed by the EU in their previous FTAs. It was therefore a sensible starting point for our trading relationship, and we proposed a Canada-style FTA, which would have provided a basis for reducing the level of non-tariff trade barriers within an equivalence framework. The EU's refusal to include equivalence was a surprise to us, but we have agreed to cooperate with them on reviewing our respective SPS measures, with a view to avoiding unjustified SPS barriers in a relationship centred on free trade. Frictionless trade

would require ongoing regulatory alignment with the EU, which would not only undermine our regulatory autonomy, but also our sovereignty as an independent trading nation.

We are continuing to work closely with traders and are implementing processes to ensure that exporters understand the requirements they need to meet to continue trading with the EU following the end of the Transition Period.

Live Bi-Valve Molluscs

Whilst the EU's trade ban in relation to undepurated Live Bivalve Molluscs (LBMs) from Class B waters remains in place, we are looking at a number of options to support the industry, including working with the Department for International Trade to support impacted businesses to secure access to new markets, and promoting domestic seafood consumption through campaigns like "Love Seafood". In England the Fisheries and Seafood Scheme can currently provide grant funding for the construction of depuration facilities and other relevant projects. The £23 million made available to support seafood businesses affected by COVID-19 or trade disruption was also available to LBM businesses, such as through the Seafood Response Fund, which provided up to £10,000 of fixed costs support for eligible fishing and shellfish aquaculture businesses. FSA has been working closely with Defra to support the industry while maintaining high levels of public health protection. FSA has awarded new 'seasonal A' classifications, assessed proposals from stakeholders for changes to classification protocols and is introducing two new criteria for consideration of anomalous (unusually high) results which will apply to classifications awarded from September 2021 in England and Wales and January 2022 in Northern Ireland. Defra continues to work across Government on responding to the trade ban by the EU, and we intend to raise it through the Trade Specialised Committee on Sanitary and Phytosanitary Measures.

I and my department fully appreciate the importance of supporting seafood and meat exports, especially to our rural and coastal communities. I look forward to working with the committee to achieve their full potential through the EU TCA and our other global FTAs.



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