



Department
for Environment
Food & Rural Affairs



Foreign, Commonwealth
& Development Office

The Rt Hon the Lord Goldsmith of Richmond Park
Minister of State

Lord Kinnoull
Chair
European Union Select Committee

13 December 2021

Dear Lord Kinnoull,

On Monday 15 November, at the end of the debate about the House of Lords EU Committee's Report "*Beyond Brexit: food, environment, energy and health*", I undertook to write to you following up on a number of questions you raised which I did not have time to address in my closing remarks.

I am copying this letter to those Noble Lords present, to all other Committee members for information and, in acknowledgement of a specific request from Lord Cormack, to Lord Frost.

You asked first about the Government's progress on securing a fishing deal covering the subarctic region. Bilateral discussions are underway with Norway for a fisheries agreement for 2022. Round 1 of negotiations took place in Bergen from 2-3 November, Round 2 took place on the 2-3 December and Round 3 is currently underway. We remain optimistic about reaching an agreement for next year and the UK will be looking to receive a fair and commensurate return for any access granted to UK waters.

You asked, in respect of sanitary and phytosanitary (SPS) rules, Northern Ireland and EU exports, why the Government will not agree to regulatory alignment as opposed to offering equivalence. The whole point of leaving the EU is to regain our ability to set our own laws. A commitment to ongoing alignment with EU rules is not compatible with regaining our autonomy and our sovereignty as an independent trading nation. On SPS, the Trade and Cooperation Agreement (TCA) includes a framework to review and limit unjustified barriers to trade, while maintaining full control over our laws. We believe it's in both parties interests to pursue this. The Government is now ensuring that UK businesses get the support they need to trade effectively with Europe and to seize new opportunities as we strike trade deals with the world's fastest growing markets.

You asked about divergence in the context of UK Reach. Inevitably different jurisdictions will take decisions on their own timetable of work, what's best for them and to reflect their own decisions about priorities. UK Reach will allow us to identify the most pressing priorities in GB and to introduce restrictions that best reflect the specific circumstances in GB, based on GB-specific assessment of risk and the socioeconomic case for change. We will continue to engage closely with industry and monitor impacts on businesses and supply chains, and will be providing an update on our next steps in due course

You asked how we will ensure that our biosecurity is secure up until July 2022. The UK has some of the highest plant health and biosecurity standards in the world, and we have been clear we will not compromise on these standards. They are integral to supporting and protecting the horticultural industry overall as well as sustaining our food supply and natural environment. GB intends to ensure that its SPS regime remains appropriate to address the risks it faces.

This risk assessment and risk management approach has applied to SPS goods from the EU since 1 January 2021 and consequently, higher-risk items have been subject to import checks to protect GB's biosecurity. These risk-based checks are in line with World Trade Organisation (WTO)/SPS principles and consistent with our obligations under the EU Withdrawal Act, where we have needed to correct requirements and processes in retained EU law so that they are operable at a GB-level and focused on GB risks.

Temporary, practical arrangements recognise the need to ensure biosecurity across the UK whilst balancing the need to remove barriers to trade. We already have SPS controls in place on high-risk goods, such as live animals and high-priority plants and plant products and checks on these goods will continue to be carried out at Places of Destination. Between January and June 2021 certifying officers signed off 97,000 Export Health Certificates for goods moving from the UK to the EU. The compliance regimes being developed and implemented have taken into full consideration potential biosecurity risks arising from imports of SPS commodities. Pre-notification mitigates further risk until full controls are introduced.

Finally, you and the Duke of Montrose asked about the future of the seasonal workers scheme. Discussions on this are currently underway and we expect a decision regarding 2022 in the next few weeks. The Government recently announced a strictly time limited and temporary visa scheme, allowing up to 5,500 poultry workers and 4,700 food sector HGV drivers to enter the UK to support the supply chain in the run up to Christmas. We are also allowing up to 800 temporary pig butchers to enter the UK for work for six months from November 2021.

This temporary adjustment is in addition to foreign butchers already being eligible since January 2021 to apply to come to the UK through the Skilled Worker Route as part of the points-based immigration system. These measures come in recognition of the unique temporary circumstances that farmers are facing, brought about by the global economic impact of COVID-19 and the pressures facing supply chains worldwide.

The Duke of Montrose went on to ask how initiatives in the United States around the more effective use of fertilisers and a reduction in methane emissions might impact on the UK farming industry. The Nutrient Management Expert Group (NMEG) is independently reviewing and analysing existing policy, alongside up-to-date technical and scientific evidence on fertilisers and nutrient management. It is considering the multiple challenges surrounding nutrient management (reaching Net Zero by 2050, protecting and enhancing soil health, improving water and air quality, protecting natural biodiversity and managing resources sustainably) and developing recommendations on the optimal policy approaches to minimise nitrogen-based and other pollution and greenhouse gas emissions from fertiliser use. The findings and recommendations of NMEG will be published in the new year. They will feed into our review of fertiliser regulation and inform wider Defra policy development and delivery plans.

The Earl of Caithness asked a number of questions about the economics of the UK fishing industry. He asked firstly how an estimated uplift of £148 million as a result of the TCA had been calculated. I can confirm that the UK now has greater shares of fishing quota under the TCA.

The full quota uplift that will be received by 2026 is estimated to be worth around an extra £146 million for the UK industry. The Marine Management Organisation has recently published analysis of these quota share uplifts, which details how this figure was derived and is available on GOV.UK.

The Earl of Caithness also asked about the costs of additional bureaucracy to the seafood industry. It should be noted that the overall seafood export value in August 2021 were similar to pre-pandemic levels (average for 2017/18/19). We recognise that there are still challenges for the industry, including since the beginning of the year the imposition of additional administrative costs and checks. We continue to work with the sector to resolve challenges and offer support. For example, the Government continues to simplify export processes, updating Export Health Certificates Online (ECHO) to reduce the amount of manual input required, and taking forward amendments to the Fish Export Service (FES) based on stakeholder feedback to improve the user experience and reduce the time it takes to create a catch certificate. We are also working with the EU to identify and agree possible changes to catch certificates that the UK provides to the EU.

In January 2021 Defra announced up to £23 million to provide financial support to seafood businesses affected by COVID-19 and new export requirements. Defra has also maintained annual fisheries funding in line with levels previously delivered through the EU, enabling each fisheries administration to deliver their own funding schemes. On 6 April we launched the scheme for England, the Fisheries and Seafood Scheme (FaSS), with initial funding focused on helping businesses take advantage of new trading conditions, support recovery from the impacts of COVID-19, and flourish outside the EU. Defra is also providing a further £100 million through the UK Seafood Fund.

I responded during the debate to questions from the Noble Lord, as well as Lady Hayman about bottom trawling. I can also add that Defra is working with fishermen to develop ways to reduce the impact of fishing gear on the seabed, while still allowing the industry to remain profitable. It should also be noted that the Fisheries Act includes a commitment to develop domestic Fisheries Management Plans to ensure UK fisheries are managed sustainably. These will consider the wider impact of the various gears which are used to target stocks.

The Noble Lord also asked how the Australia and New Zealand trade deals would impact on UK farmers. Any deal will maintain the high standards expected by the agriculture industry and we have a range of tools to defend British farming against any unfair trading practices. These agreements are a gateway to joining Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and there is growing demand for meat in these markets. Joining that high standard free trade agreement of 11 Pacific nations will mean more opportunities for British exports to those high growth markets.

The Noble Lord asked about a new export council to open up these new market opportunities. On 17 November the UK Government published the Export Strategy: Made in the UK, Sold to the World, as evidence of the Government's commitment to supporting exporters internationalise. This can be found on GOV.UK.

Lady McIntosh asked about the farming agreements tenants have with their landowners. The Government is working to ensure that the design of future farming schemes is broadly accessible to as many land managers as possible including tenant farmers. As part of this we are considering questions around landlord consent and length of scheme agreement and we are exploring and testing how our new schemes might work in practice across different types of holdings and different types and lengths of tenancy agreements.

The Agricultural Tenancies Act 1995 enables the tenant and landlord to agree at the start of tenancy that diversified activity (such as environmental activities) can take place on the holding whilst still confirming they intend it to remain a Farm Business Tenancy throughout the length of the agreement. Many landlord and tenants work together to find solutions to entering agri-environment schemes. To encourage this further the Tenancy Reform Industry Group has recently produced a Code of Good Practice providing guidance to help tenants, landlords and their advisers take a positive and practical approach to agreeing variations to agricultural tenancy agreements that will help the sector adapt and make the most of new opportunities as we move through the agricultural transition period.

Lady McIntosh asked about Scottish seafood industry exports to France, as well as about access to additional quota for inshore under 10-metre fishermen. I have already stated that UK seafood export values in August 2021 were similar to pre-pandemic levels and can add that although exports to the EU remain below pre-Covid average values, some areas are showing improvement. UK Salmon exports for example, dominated by Scottish production, as of August were up 21% on pre-pandemic levels.

Meanwhile the Government have continued to engage closely with the seafood trade sector, to identify and address non-tariff barriers. The Defra-led Seafood Industry Forum on Trade and the Scottish Seafood Industry Action Group which is led by the Office for the Secretary of State for Scotland are valuable fora through which industry stakeholders can raise emerging issues affecting export processes.

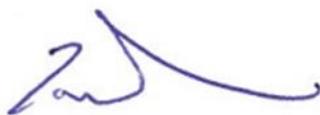
With regard to access to fishing quota, the TCA provided for UK fishers to have a greater share of fishing quota. The total value of EU-UK fishing opportunities for the UK in 2021 is approximately £333 million – representing an increase of around £27 million on last year. With specific reference to access to additional quota for under 10 meter vessels, the Government have been clear that we will allocate any additional quota using a different method. That has supported the under 10 meter fleet by allocating them over 5,000 tonnes of additional quota estimated to be worth over £11 million.

Both Lady McIntosh and Lady Hayman asked about Common Frameworks and the devolved assemblies. Defra is working closely with the Scottish Government, the Welsh Government and DAERA in Northern Ireland on our shared ambitions for the environment, ensuring a cohesive approach and high environmental standards across the UK. This includes frequent meetings between ministers and officials from the four administrations to discuss issues of common interest and development of a suite of Common Frameworks. Defra is working with the devolved administrations on 14 Frameworks, of which five cover areas of environmental regulation. The Frameworks set out how we have agreed to work collaboratively together in areas where common approaches are considered necessary or desirable. They have been provisionally agreed by the four administrations and our intention is to publish them shortly, for scrutiny in Parliament and by the legislatures in Scotland, Wales and Northern Ireland, ahead of their final sign off.

Lady Hayman also described the challenge of when and how we update retained EU law and asked whether the Government will carry out timely revisions and reviews. I am pleased to confirm that this is a priority for this Government. Noble Lords will recall Lord Frost's statement to the House in September 2021, in which he set out the Government's intention to conduct a review of retained EU law. Our intention is eventually to amend, replace, or repeal all that retained EU law that is not right for the UK. Defra is playing a full part in this comprehensive review which will build on opportunities we have already taken in recent legislation such as the Environment Act.

I am arranging for a copy of this letter to be placed in the Libraries of the House and I hope that this response addresses all the questions asked during the debate. I would like to thank you, the Committee and my colleagues from all parts of the House for their participation.

With best wishes,

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a long horizontal stroke that curves upwards at the end.

THE RT HON THE LORD GOLDSMITH OF RICHMOND PARK