

1. What challenges does the Department anticipate for Northern Ireland agri-food products going into Great Britain?

In line with the assurances given in paragraph 17 of the Government's Command Paper published on the 20 May, the Department is proceeding on the basis that there to be unfettered access for Northern Irish agri-food products going into Great Britain. The Department is therefore not anticipating or planning for any significant challenges to these movements. This unfettered access will be vital for all Northern Irish agricultural products to ensure that they encounter no additional process or cost in selling goods to Great Britain.

Any FTA with the EU or any other country must not undermine unfettered access to the Great Britain market for Northern Ireland

a. What do you hope to see from the UK Common Frameworks in the relevant areas?

The Department would expect that the UK Common Frameworks established at the conclusion of the Transition Period will protect and underpin the integrity of the UK internal market. It is vitally important that there is open and fair competition across the UK and that the Frameworks operate to underpin this key principle.

2. What does the Department expect the impact to be on the agrifood sector of any additional formalities in the following areas after the transition period, for goods moving from Great Britain to Northern Ireland?

a. Sanitary and phytosanitary (SPS) formalities minimal checks in line with Command paper

UKG has committed to protect Northern Ireland's place in the UK internal market and the Department will be pressing UKG to ensure that Northern Ireland's existing supply chains and business models can continue to operate and that there are no unnecessary barriers to trade from Great Britain to Northern Ireland after the end of the Transition Period. This will be essential in protecting the interests of Northern Ireland consumers.

The greater the deviation of the UK and the EU in terms of trading arrangements, tariffs and SPS rules, the more difficult and intrusive the Protocol becomes. Therefore, a key priority for the Department is for the UK and the EU to agree a zero tariff, zero quota limit deal, and to have maximum alignment in terms of SPS arrangements.

Any new UK SPS Strategy should create the conditions that minimise the potential for friction on agri-food trade from Great Britain to Northern Ireland (i.e. avoiding the need for Export Health Certification and the associated border controls). For example, dynamic alignment with relevant parts of the EU acquis and the UK joining the Common Veterinary Area (as in the Swiss/EU arrangement). If this is not possible, then minimising the level of risk based physical border inspections must be a priority.

b. customs (including tariffs), VAT and excise, and product-related regulatory controls.

The Department considers that it is important to identify and recommend the means by which a level playing field with Great Britain and EU competitors can be achieved for Northern Irish businesses. There is a need to avoid unnecessary divergence or the creation of tariff and non-tariff barriers.

Paragraph 25 of the Command Paper outlines the UKG's aim of no tariffs on internal UK trade to ensure a level playing field for Northern Ireland and to protect the Northern Irish consumer. The Department welcomes that objective.

The UKG has committed in paragraph 36 of the Command Paper to providing Northern Ireland access to UK FTAs on an equal footing with Great Britain, the Department would seek to hold it to this commitment.

Additionally, the Department would seek to ensure that UKG works with the EU Commission to construct a State Aid compliant tariff waiver reimbursement regime, if needed.

In paragraph 39, the UKG has stated that where Northern Ireland traders gain product approvals and verification for the Northern Ireland market from EU authorities and bodies, it will recognise these for the purpose of placing goods on the Great Britain market. The Department welcomes this commitment as it will underpin unfettered access to Great Britain markets for Northern Ireland agri-food.

Paragraph 41 states that Northern Ireland will remain part of the UK's VAT and excise system despite being bound by EU rules. The Department relies on the assurances given by the UKG that it can continue to implement this position, keeping Northern Ireland's place in the UK's internal market while minimising new costs and burdens on agri-food businesses.

3. How can the UK-EU future relationship reduce any possible negative impacts of the Protocol on the agrifood sector?

The greater the deviation of the UK and the EU in terms of trading arrangements, tariffs and SPS rules, the more difficult and intrusive the Protocol becomes.

Therefore, the key priority for the Department is for the UK and the EU to agree a zero tariff, zero quota limit deal.

Any FTA with the EU must not undermine unfettered access to the GB market for Northern Ireland.

There is a need to maintain a level playing field throughout the UK with respect to issues such as production and marketing standards, permissible technologies, State Aid rules, levels of government support (direct and indirect) or regulatory costs. The UK/EU should also remain closely aligned on SPS standards to minimise and preferably eliminate checks on movements from Great Britain to Northern Ireland.

It also important that the Northern Ireland agri-food sector has equitable access to migrant labour compared to Republic of Ireland competitors. Without this, there is a very real possibility of economic activity being displaced to the Republic of Ireland.

The Department would also want UKG to secure agreement on tradeable and cross border services that support trade in goods between the UK and EU (such as haulage, data adequacy, IT systems, etc) avoiding restrictions or impediments that undermine physical trade flows

Future Fisheries Agreement – Access to UK/EU waters & catch allocations

The Northern Ireland fishing fleet would expect to be the main beneficiary from any additional fishing opportunities negotiated in the Irish Sea.

It is important that the future fisheries deal continues to be negotiated separately to any free-trade agreement. Access by EU to UK waters is our main negotiating lever in the fisheries talks and is critical to securing greater quota shares.

Whilst the Republic of Ireland / Northern Ireland agreement that provides reciprocal access to each other's inshore waters should be maintained, it is outside the FFA negotiations. Provided both parties wish this to continue, "neighbourhood agreements" such as this can be separately arranged through the Foreign and Commonwealth Office and the EU Commission.

4. What are the most pressing actions needed from the Joint Committee and its supporting bodies?

There are a number of issues to be discussed and agreed through the Joint Committee and we would want to see early progress on these.

- Article 10 - on agricultural support, a key issue is the maximum overall annual level of support and the minimum percentage of that support that must comply

with the provisions of Annex 2 to the WTO Agreement on Agriculture. It would be highly desirable for this to be agreed no later than the end of September-2020 so that there is certainty for 2021.

- The aim is to ensure that agricultural support can continue at existing levels but we seek some flexibility should major market support measures be required in response to exceptional economic and/or trading circumstances, e.g. Covid-19 or the outworkings of the Northern Ireland Protocol. Glad to see that position reflected in the Command Paper but need early decisions made.
- On Article 5.3, the key priority for alleviating the difficulties that could arise under the customs process are achieving a zero tariff, zero quota limit deal between the UK and the EU. This priority is the most desirable outcome, for the Department, across all commodities, including fish.
- It is also important that the level of physical SPS checks on GB to NI movements are minimised to ensure that any frictions to trade are reduced to the lowest level possible.

5. Do you expect the Protocol arrangements to be ready for 1 January 2021?

The challenge of having a fully operational regime agreed and in place by the end of this year remains a very significant concern.

The recent clarification from UKG is welcome and the Department is moving quickly to take forward full implementation. The Department welcomes the offer of assistance that has been received from Defra to help address the implementation challenge.

There is little time to prepare businesses and ideally they need the time and space to do so and until they come through the current Covid-19 crisis, that is going to be difficult, but there is no other choice.

Businesses will be better placed to engage and prepare if divergence between the EU and UK in terms of regulations is minimised and a zero tariff, zero quota FTA is achieved – that way, the challenge posed by the Protocol is also minimised.

6. How is COVID-19 affecting the agrifood sector's preparation for the Protocol?

The Northern Ireland agri-food industry has made it clear that it does not have the bandwidth to deal with the implications of Covid-19 and provide the necessary engagement on the Protocol. Many Northern Ireland agri-food businesses are pressing for an extension to the Transition Period beyond 31 December 2020.

For businesses to input effectively to the decisions in relation to the Protocol, they need the time and space to do so and until they come through the current crisis, they won't have the necessary space and time.

7. Will the Protocol solve the issues it is intended to?

The Protocol enables goods to move freely between NI and the EU and vice versa and avoids the need for controls on goods crossing the Irish Border. However, to achieve this it introduces the risk of friction to trade between GB and NI. The actual extent of this friction will be determined by the interaction between a future trade agreement between the UK and the EU and the detailed implementation of the Protocol.

Without any mitigating measures, goods entering NI from GB will be treated in the same way as goods entering the EU from a third country and in relation to sanitary and phytosanitary (SPS) controls, will require a level of checking in accordance with EU Regulations. Therefore, the Department is seeking the use of existing flexibilities within the EU regulatory framework that could minimise these SPS checks and any associated cost burden for NI businesses and consumers. The Department also aims to secure no tariffs on internal UK trade as set out by the UKG Command paper to ensure a level playing field for NI businesses and to protect the NI consumer.

For trade from NI to GB trade, the Department seeks to ensure that, in keeping with the commitments of the UK Government, unfettered access remains and there is no additional cost or additional regulatory burden in selling goods to GB.