

National Sheep Association – Written evidence (EEH0018)

UK Parliament Committee Call for Evidence on 'the UK-EU Trade and Cooperation Agreement'.

1. Please indicate which of the following industries or policy areas are you responding in relation to energy, environment, health, food trade, agriculture, fishing, climate change, chemicals.

The National Sheep Association (NSA) will be responding in relation to Agriculture and Food Trade. NSA is the UK's leading membership organisation dedicated to representing the views and interests of sheep farmers and supporting the sheep sector. NSA's vision is one of the people involved in keeping sheep being enthusiastic, knowledgeable and aspiring to best practice – and those not keeping sheep being increasingly aware of the contribution sheep make to society and of the core aspects of the sector. Through our membership and affiliation schemes, we are able to communicate with a large majority of the sheep industry. In addition, NSA works in partnership with many other organisations to ensure a high level of support and service to the industry and a co-ordinated and strategic approach. NSA is also active in a huge range of policy areas affecting the sheep sector and sits on a range of working groups/stakeholder groups that feed directly into Government.

2. What is your assessment of the relevant provisions in the UK-EU Trade and Cooperation Agreement, and their impact on your business or policy area?

It was with huge relief that a trade deal was finally agreed between the UK and the EU, allowing goods to move in both directions without the application of tariffs. The prospect of trading on WTO tariffs had the potential to cause serious damage to sheep farming here in the UK. However, the system of border controls, health and phytosanitary controls, and export health certificates is proving not to be fit for purpose for a fast-moving supply chain with perishable goods. New controls are reported to be adding costs of around £1.20p per average lamb carcass exported. Trade between GB and NI is particularly affected and the realisation that GB and NI are one trading area, but as NI falls under EU regulatory requirements, moving goods to NI is equally as difficult as moving goods to the EU. There is no consideration of the movements of live breeding animals and the fact that many livestock farmers integrate their businesses and marketing within GB trade. The need for breeding animals to be scrapie monitored was not expected yet it takes 3 years to get through this scheme, hence there will be a major disruption in this trade. Similarly, NI farmers bringing breeding animals to GB society sales now appear to face a potential 7-month lockdown period before they could return if unsold. Our industry is relieved that a trade deal was agreed but the procedures now need an urgent review. The fact that the UK gave a 6-months grace to the EU to have to comply

with many of the procedures we had to from the 1st Jan was major mistake and this has removed any urgency to discuss the procedures and get a quick resolution.

3. What do those provisions achieve?

Some 35-40% of UK sheepmeat production is exported and 95% of this exported volume is sold into the EU. The agreement reached means we can continue to sell into the EU without any volume restrictions or tariffs being applied. However, the 'non-tariff barriers' mean that trade is far from frictionless. We assume that as we depart from a number of EU regulations the provisions will enable trade to continue but we are already concerned that the UK Govt appears to be departing from some key EU regulatory positions. For example, our exploration of gene editing will be seen as inflammatory so soon after leaving the EU and is likely to result in increasing safeguards and checks. We are hearing regularly that it is easier to export products to non-EU countries than to the EU, some of this may improve as teething problems are overcome but it seems that the system is not fit for purpose.

4. What, if any, challenges arise because of those provisions? How could these challenges be resolved?

Firstly, while the UK can continue to freely export sheepmeat to the EU, we are experiencing greater bureaucracy and excessive paperwork that is increasing costs to the producer and the retailer's shelves, as well as causing delays at border control points (BCPs). We do expect that over time, some of the initial disruption is due to teething problems and user error, and as businesses and officials get used to the new systems some of these challenges should dissipate. However, there are still major concerns for the UK livestock sector around exporting POAO.

1. **Export Health Certificates** (EHCs) are causing big hold-ups at the processing end (for sign-off) as well as at BCPs. During processing, completion of EHCs are laborious, and consistency for completion varies depending on the certifying officers experience and knowledge of EHCs. There is still some concern over the OV capacity needed to sign off EHCs potentially removing them from the 'general' veterinary work when we are approaching a critical time in the year; lambing and calving. Within FSA there has been inconsistency over whether FSA vets should or should not be doing health certificates. There is still controversy over requirements around stamping and signing edits on EHCs – no consistency for what is accepted vs rejected at BCPs. There are also issues around time taken for cancelling and replacing certificates (whilst perishable products are sat waiting at ports). Long term we need to consider how we will improve this process to be more sustainable and user friendly.
2. **Labour shortages:** To add further burden, much of our existing vet capacity comes from EU labour sources which have been impacted by new entry

requirements for non-UK workers. Many products arriving at BCP are being tackled by overcritical border staff, resulting in perishable products to be held up at BCP. In some cases, this is leading to products being devalued upon reaching their destination or in some cases going to rendering. Abattoir labour is another challenge that stems from these new requirements as again, many of our abattoirs and processing facilities rely on migrant labour.

3. **Northern Ireland Protocol:** NSA is outraged by the situation faced by sheep breeders in Northern Ireland (NI) and those on the UK mainland who are involved in mainland/NI breeding stock trade. Since Brexit negotiations began there has always been a commitment, and it has always been NSA's understanding, there would be 'free and frictionless' trade between GB and NI. The border between the UK and the EU is effectively now between GB and NI meaning additional controls for goods moving between our nations, ultimately casting NI adrift.

One major challenge is NI having to adopt EU SPS (Sanitary and Phytosanitary) controls meaning that sheep going to NI from GB will need to be Scrapie free as well as MV free.

Another challenge posed by EU sanctions mean pedigree stock travelling from NI to GB for sales and shows will also fall foul to the EU legislation due to in excess of a six-month residency requirement for any stock wishing to return to NI. Unfortunately, DAERA have their hands tied and live animal movements rests with further negotiations between UK government and the EU for a potential derogation, exemption, or physical change to EU legislation. NSA and other industry bodies are working hard to resolve these issues, but it looks increasingly unlikely that any decisions will be made anytime soon.

Each year between 9000 and 18,000 sheep of high value are moved between NI and mainland Great Britain, some being multi-thousand pounds rams of high genetic value. On an industry scale this may be considered small but for individuals affected the restrictions on movements to be imposed are creating catastrophic consequences for many of our pedigree breeders and those trading in commercial breeding animals on both sides of the water.

4. **BCP facilities for live animal exports:** On the subject of exporting live animals to the EU, everything is currently on hold due to there being no facilities at any of the EU sea ports to take live animals from a non-EU state. For breeding animals, we are expecting solutions in time with a couple of options potentially being developed. As far as we are aware, the P&O ferries that use to ship breeding sheep from Dover to Calais are closed to live animals, and except for flying animals out, NSA is not aware of any other options. The same applies to any lambs moving across the channel for slaughter or further finishing, although decisions relating to this will be caught up in the Governments current consultation on banning live exports for anything other than breeding stock. Note that breeding stock will also

have to be Scrapie free and stated free from the main iceberg diseases by the farm's vet, adding further problems once facilities are in place. To add insult to injury the 6 months grace allowed to the EU means that live animals can make inward journeys without the need for the controls any exported animals would need.

5. What should the UK seek to accomplish with the EU in relation to your industry or policy area within the parameters of the Agreement in the short- and mid-term?

- Ensure BCP facilities are installed in EU member state to allow live animal movements into EU across short straights. Allow already recognised export collection facilities for live animals to be accepted through port BCPs through a system of sealed transporters.
- Permit licensed export assembly centres to hold breeding sales and allow unsold animals from NI to return with no residency period.
- Secure a derogation for Scrapie requirements for a period of at least 4 years in relation to moving live breeding animals between GB and NI.
- Find a way to put EHC's online as paper format is very bureaucratic and can cause errors.