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NFU Officeholders

## European Scrutiny Committee: Inquiry into the institutional framework of the UK/EU Trade and Cooperation agreement

The NFU represents 55,000 farm businesses in England and Wales involving an estimated 155,000 farmers, managers and partners in the business. In addition we have 55,000 countryside members with an interest in farming and the country.

The NFU welcomes the opportunity to respond to this consultation on behalf of our farmer and grower members. The NFU welcomes the EU-UK Trade and Cooperation Agreement (TCA) as ensuring tariff free and quota free trade can continue between the EU and UK. The TCA also establishes a framework of 19 Committees and 4 Working Groups to manage specific trade issues.

Alongside the Partnership Council and Trade Partnership Committee, which oversee the TCA in the whole, the Committees and Working groups of the greatest interest to agri-food trade are:

- Trade Specialised Committee on Goods
- Trade Specialised Committee on SPS Measures
- Trade Specialised Committee on Customs Cooperation and Rules of Origin
- Trade Specialised Committee on Technical Barriers to Trade
- Trade Specialised Committee on Regulatory Cooperation
- Trade Specialised Committee on Intellectual Property
- Trade Specialised Committee on Public Procurement
- Trade Specialised Committee on Level Playing Field for Open and Fair Competition
- Working Group on Organic Products

Of most immediate concern to the agri-food sector would be the Trade Specialised Committees (TSC) on SPS Measures and Technical Barriers to Trade (TBT) and the Working Group on Organic Products. This is because the trade frictions currently being experienced, or are likely to arise, largely relate to SPS measures, TBTs or organics regulation.

The Committees have the power to work to resolve disputes or concerns around the operation of the TCA, including establishing an arbitration panel where needed. This is a welcome provision to ensure the TCA can be properly implemented. The NFU would also welcome greater emphasis on the Committees' role in finding solutions to the current trade frictions.

For example, the SPS Committee could play a significant role in reducing the burden on traders moving agri-food goods between the EU and the UK, such as by identifying areas of commonality in the SPS regulations of each party. This would be of significant benefit to businesses and consumers in both the UK and EU, ensuring supply chains that existed prior to 2021 can continue to operate in a smooth manner. This would also recognise the shared regulatory backgrounds of the EU and UK, and work to manage future divergence in a proportionate and pragmatic manner.

Furthermore, the NFU would welcome the Committees taking proactive steps to resolve issues before a dispute arises. In terms of SPS measures, this is particularly pertinent in relation to goods which currently face prohibitions on movement between the EU and UK. For example, UK seed potatoes have been prohibited from being marketed in the EU since 1 January 2021, while a derogation allowing the

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marketing of EU seed potatoes in the UK lapsed on 30 June 2021. This is despite the long-standing trade in seed potatoes between the UK and EU, and shared regulation. The decision to prohibit this trade also seems to contradict the provisions in the TCA which prevent the implementation of additional unjustified authorisation requirements and which recognise the principle of regionalisation or 'zoning' where areas have equivalent SPS requirements and are pest/disease free. The NFU would therefore encourage the SPS Committee to take steps to review prohibitions such as those which apply to seed potatoes and ensure the provisions of the TCA are being properly applied, proactively avoiding the risk of a possible dispute which could exacerbate any political tensions.

Such an approach would also be similarly important to ensure the Northern Ireland Protocol operates in a pragmatic and functional manner without causing unnecessary disruption to the people and businesses of Northern Ireland. The NFU notes the UK Government's Command Paper of 21 July 2021 on the future working of the Northern Ireland Protocol which outlines many of the challenges currently being experienced with GB to NI trade, or are anticipated in the future (such as when the grace period for chilled processed meats comes to an end). Among the proposals in the Command Paper is the suggestion of some kind of SPS agreement to smooth this trade. The NFU has long called for the EU and UK to work together proactively to seek pragmatic solutions which recognise our shared regulatory backgrounds. The SPS Committee would be the obvious place in which to discuss, develop and agree such an agreement, which provides long term certainty for business involved in both EU-UK trade and GB-NI trade.

The TBT Committee, and the supporting Working Group on Organics should also consider undertaking a similar role to prevent unnecessary disruption. The NFU would call on the Organics Working Group to particularly consider the short to medium term implications for organics trade once the EU's new organics regulation comes into effect at the end of 2021. Therefore, while the TCA granted organics equivalence for up to three years, in practice this will need to be reviewed. The NFU would call on the Organics Working Group to do this as a matter of urgency. While ongoing equivalence will depend on the level of divergence, the NFU notes that it was granted without the requirement for dynamic alignment and would welcome similar pragmatism to ensure future equivalence is possible.

There are several pressing needs on the Committees already in order to manage current and future EU-UK trade. Under the TCA the Committees need only meet once per year; however, the NFU would strongly call for the Committees to meet more regularly in order to find solutions to these urgent issues. Increasing the frequency, at least in the short to medium term, will be vital in laying the foundations for strong and smooth future trade.

Furthermore, there needs to be greater stakeholder engagement, from both the UK and EU Governments, on the composition, agendas and priorities of the Committees. The evidence presented here covers some of the pressing concerns of the UK agri-food sector, yet with complex supply chains with specific needs, there are many further critical and complex difficulties. The industry is keen to work with the UK and EU to seek solutions and feed into the Committees on these areas, and therefore would welcome greater specific opportunities to engage with the work of the Committees. This includes not only engagement prior to meetings, but also full, complete, and detailed reporting on the activity of the Committees and their meetings.