

National Farmers Union – Written Evidence (TIG0015)

Summary

1. UK-EU trade in agri-food products has decreased since the implementation of the Trade and Cooperation Agreement (TAC), partly due to the ongoing impacts of the pandemic but also because of the new trading relationship between the UK and EU. Data¹ shows that UK exports of agri-food products to the EU in the first half of 2021 compared to the first half of 2020 decreased by 15.9% in value terms, while UK agri-food imports from the EU decreased by 11.2%
2. A major concern in the horticulture sector is the impact of the new border controls on domestic producers who rely on imports of EU plants to “grow on”, either for crop production or in the ornamental sector. As a fundamental principle, the NFU believes the current fee system is untenable due to the competitive disadvantage it places on domestic growers and producers in the system and favours the import of plant material produced overseas for final sale.
3. Urgent action is needed by the EU Commission and the UK Government to agree a new model for the export of seed potatoes from GB to the EU. Such trade has been effectively banned since 1st January 2021, as has the export of seed potatoes to Northern Ireland.
4. The direct export of UK live farm animals (cattle, sheep, pigs and goats) for breeding is currently not possible to the EU mainland because there are no EU BCPs approved for, or accepting, live farm animals for breeding at any UK facing port along the north European coast. This means since the 1st of January 2021, the UK has effectively been faced with a trade embargo on its live animal exports to the EU mainland. Therefore, we urge the government to work step up discussions with the EU and commercial partners to establish border control posts capable of processing livestock urgently in Northern European ports.
5. Export Health Certificates (EHCs) can only be submitted in hard copy and are required in duplicate for different authorities. We understand that this means a single EHC can take at least 30 minutes to fill out. A fully digital system should be developed in conjunction with the EU to future proof the system of exporting and importing and to help reduce the administrative burden placed on businesses.
6. While further delays to controls on imported EU products may go some way to keep supermarket shelves stocked at a challenging time for the UK supply chain, the current production and supply issues are largely due to workforce availability. That is why the food and farming industry is asking for a 12-month Covid Recovery Visa and to expand and make permanent the Seasonal Workers Scheme.

¹ Source: Trade Snapshot, Food and Drink Federation, <https://www.fdf.org.uk/globalassets/resources/publications/reports/exports-reports/exports-snapshot-h1-2021.pdf>

7. The Trader Support Service and Movement Assistance Schemes have been helpful additions to the support provided to the industry for movements GB to NI. We have been calling for a similar service to cover UK-EU trade. Therefore, we welcome the recently launched DIT Export Support Service which provides support to UK businesses that export to the EU.

1. What have been the overall consequences to date of the implementation of the Trade and Cooperation Agreement and the end of the transition period for GB-EU trade in goods, in the UK's first year outside the Single Market and Customs Union?

Overall, UK-EU trade in agri-food products has decreased since the implementation of the Trade and Cooperation Agreement (TAC), partly due to the ongoing impacts of the pandemic and partly because of the new trading relationship amongst the UK and EU. Data² shows that UK exports of agri-food products to the EU in the first half of 2021 decreased by 15.9% in value terms compared to the first half of 2020. However, they contracted even more (-27.4%) if we compare it to 2019. Between 2020-2021, UK exports to non-EU countries increased by 13%. UK exports to the EU for lamb and mutton were down 4%, cheese down by 26% and beef down by 24% compared to the first half of 2020 due to new requirements and checks in place. The export reduction is even greater if we compare it to 2019, with cheese and beef contracting by 34.2% and 37.1%, respectively. Exports to Ireland, UK's top export destination, were down by -27.1% between 2019 and 2021. A similar downward trend applies to UK imports from the EU. In fact, between 2019-2021, UK agri-food imports from the EU decreased by -14.9%. However, imports from non-EU countries increased by 3.1%. The commodities that took the biggest hit were pork (-20.3%), fruits (-19.1%), chicken (-28.2%) and cheese (-22.2%). This picture might deteriorate further once full border controls are in place in 2022.

a. What have been the key challenges of existing border controls for GB-EU trade in goods so far? To what extent have these challenges improved or worsened over the course of 2021, and how might they be mitigated further?

It is safe to say that all agricultural commodities have faced challenges due to border controls for GB-EU trade. We have grouped them by sectors in the paragraphs below. The NFU will continue its efforts with the UK Government and the EU to streamline new border procedures to minimise time spent at the border.

Plants and plant products

- A major concern in the horticulture sector is the impact of the new border controls on domestic producers who rely on imports of EU plants to "grow on", either for crop production or in the ornamental sector. As a fundamental principle, the NFU believes the current fee system is untenable due to the

² Source: Trade Snapshot, Food and Drink Federation, <https://www.fdf.org.uk/globalassets/resources/publications/reports/exports-reports/exports-snapshot-h1-2021.pdf>

competitive disadvantage it places on domestic growers and producers in the system and favours the import of plant material produced overseas for final sale. For these reasons, the NFU opposes measures that maintain this competitive disparity. Further to this, the NFU believes that fundamental changes are needed to the inspection rates and risk matrix which underpins this, and a more nuanced risk-based inspection regime is needed.

- Clarity on Border Control Post (BCP) fees must be secured urgently, and the government must ensure commercial operators do not abuse their power to set fees for a service which is a regulatory requirement. Fees must be kept proportionate and fair, recognising that while there may be some competition between BCP operators, importers will also be limited by their regulatory requirements, BCP capabilities and haulier requirements.
- In terms of the safeguards to ensure the new system operates effectively and efficiently we would like the government to:
 - a) Allow plants which have been inspected and are awaiting test results to be isolated at the nursery to allow proper care until results are available. This will prevent the risk of plants deteriorating while being held at the BCP due to improper care – nurseries will generally have their own isolation measures on site to prevent any cross contamination so they can easily implement these measures. It will also reduce pressures on BCP facilities or the incursion of additional BCP fees for importers.
 - b) Phase in the use of BCPs for plant and plant products inspections (not for Products of Animal Origin PAO) alongside the continuation of Place of Destination (POD) system. This will ensure 'pressure release valves' are available to prevent delays or cross- contamination and smooth the transition to BCPs, as well as allowing industry to carry out 'dry runs' of the new system.
 - c) Provide greater support for the transition of PODs into Control Points (CP) for those large users/importers of particularly vulnerable plants (see point "f" below), without businesses needing to move from POD to BCP to CP (i.e. allow POD system to continue for sites transition to CP). This will prevent confusion in the system and changing demands on BCPs making requirements difficult to assess.
 - d) Provide clearer guidance on both BCP and CP requirements. The NFU is willing to support Defra/APHA on industry outreach and knowledge exchange opportunities (e.g. APHA visits to commercial horticultural businesses). Furthermore, real time communication systems must be available for growers to understand the state of their consignment.
 - e) Share with the NFU the BCP Service Level Agreement (SLA) in order to understand the provisions to prevent delays, cross contamination, detrimental impacts on plant health, as well as responsibilities of APHA/BCP staff, particularly in situations where plants may be damaged through no fault of the importer, exporter or haulier.

- f) Put in place provisions to guarantee inspections at the business site for growers importing particularly vulnerable plants and plant products such as protected edible plants (e.g. tomatoes), trees, or tissue cultures (which have far lower biosecurity risks but are particularly vulnerable to delays or environmental changes), in order to ensure plant health and biosecurity for these goods are maintained.
- Seed potatoes - The EU prohibits the import of seed potatoes from third countries into the Single Market; the only exception to this is Switzerland and some limited exceptions for Canada. Following the end of the Transition Period, the UK became a third country to the EU, and therefore is prohibited from exporting seed potatoes into the EU market. The same restrictions apply as regards exports from GB to Northern Ireland. On the other hand, the UK has already listed EU Member States in our plant health legislation as meeting the UK's level of protection, putting in place a procedure under which it is possible to make an application allowing them to export seed potatoes into GB. The fact that the UK and EU have not yet been able to reach an agreement on the trade in seed potatoes is a major concern for our sector. Every year approximately 30,000 tonnes of seed potatoes are exported from the UK to the EU for multiplication and the production of ware potatoes; a similar quantity of seed potatoes exported from the EU to the UK. Both the UK and EU have harmonised seed grades and disease tolerances which facilitate reciprocal trade. Urgent action is now needed by the EU Commission and the UK Government for the export of seed potatoes from GB to the EU, and Northern Ireland. This is essential and must be agreed without delay in order to support business planning for future cropping seasons. Without an agreement allowing export of GB seed potatoes, it will be EU and UK farmers and SMEs that will suffer the unnecessary consequences. If equivalence is not granted, then the UK Government must consider the support it will give to the potato sector, both seed and ware, and across the whole of the UK.
 - We have included an anonymised case study in an annex to our response to show the extra costs that an NFU grower is faced when exporting into the EU.

Prohibited and restricted products (P&R)

The EU's Single Market rules relating to Sanitary and Phytosanitary (SPS) standards mean that some UK animal products (e.g. chilled meat preparations and categories of animal by-products) are no longer eligible for sale in the EU. In return, these restrictions, known as the "prohibited and restricted (P&R) list" are currently subject to a UK Government easement which means that EU product continues to be eligible for sale in the UK until the 31st of December 2021. We understand that the UK's Food Standards Agency (FSA) has undertaken a risk assessment on the continuation of the easement to allow EU P&R agri-food goods to enter the UK. As yet, this assessment has not been published. We call on the UK Government and FSA to publish details in advance of any decision to be taken on the long-term standing of P&R goods entering from the EU. It is vital that UK food safety, biosecurity and border controls are not undermined.

Dairy

Operators are reporting that the dairy trade between GB and EU has become more problematic and more costly than before. The main issues/costs are:

- Loads being refused/turned around at ports which are carrying perishable dairy products, which then lose value or have to be dumped.
- Delays to loads due to incorrect paperwork and a lack of consistency in application of checks and rules.
- Issues with vet capacity to sign Export Health Certificates (EHCs).
- There used to be a lot of ad-hoc trade of cream to the EU – this has now disappeared due to the time needed to get EHCs sign off and logistics sorted. As a result, UK farmers are losing out on a premium which is being received by EU counterparts. The price difference for cream in early October was around 40p/kg – meaning a lorry load is worth about £12,000 more in the EU than the UK, and prior to 1st Jan, the difference was very small.
- The Rules of Origin (RoO) agreed in the TCA have meant there is less demand for UK dairy products which are used for further processing in the EU due to potential labelling and RoO complications for EU manufacturers, especially when EU alternatives are available.
- The changes to EHC's have led to an issue with the 90 day residency period for cattle moved from the EU to UK. This effectively caused processors to tell farmers to stop buying EU cattle otherwise they could not get vets to sign off EHCs. (We think this issue is now resolved, but we are awaiting official confirmation).
- There have been similar issues for organics, namely around establishment approval by the FSA, and their trade with the EU has been severely hampered due to initial uncertainty over rules.
- The view from many dairy processors in the UK is that it is now easier to trade with the Rest of the World than the EU, so they are investing in alternative markets instead.

Livestock

- The direct export of UK live farm animals (cattle, sheep, pigs and goats) for breeding is currently not possible to the EU mainland because there are no EU BCPs approved for, or accepting, live farm animals at any UK facing port along the north European coast. This means since the 1st of January 2021, the UK has effectively been faced with a trade embargo on its breeding animal exports to the EU mainland. Therefore, we urge the government to step up discussions with the EU and commercial partners to establish border control posts capable of processing breeding farm livestock urgently in Northern European ports. The import and export of high value breeding livestock is hugely important to both UK and European livestock producers. Farmers are constantly striving to improve the health and productivity of their livestock by sourcing the best possible genetics as we know this plays a huge part in reducing greenhouse gas emissions. Many farm businesses that specialise in producing high value breeding animals are losing thousands of pounds in lost trade.
- EU rules prescribe that 30% of all third country (including the UK) imports of poultry meat and 15% for red meat and pork carcasses are subject to physical

inspections at the border. Member States capacity for undertaking these checks is limited and this causes very lengthy delays to perishable products.

- Additional paperwork is causing major delays for meat processors, with single shipments taking up to nine hours to prepare before leaving the plants.
- Hauliers are charging for delays, adding extra cost to exports. There are reports of an increasing and not inconsiderable number of lorries returning to the EU empty. This is adding to cost and is environmentally unsustainable.
- Export Health Certificates (EHCs) can only be submitted in hard copy and are required in duplicate for different authorities. We know of one example of a vet needing to stamp paperwork 72 times for one consignment. This is very onerous for the limited number of Official Vets (OVs) and adds costs to the export process. The system is also paper-based and must be modernised.
- Officials at EU ports have at times taken an inconsistent approach or have taken a slightly different interpretation of the rules to UK officials, this causes delays and confusion for exporters. For example, customs officials at Dutch ports have stated that some British shipments are in breach of Trichinella testing regulations. This would contravene the agreement it was understood that the UK Government has reached with the European Commission to allow untested products into the EU provided they have been in Controlled Housing Conditions (CHCs). We set this issue out in more detail below.
- There have been significant issues to the Groupage scheme, although we must commend the governments for improvements made since the start of the year. For example, these consignments, which would be made up of smaller boxes, have all had to be offloaded so the labels on every box can be checked, which creates further delays.
- **Pig sector:** Many of the initial UK-EU export issues this year have been experienced by the pig sector, and in particular focus on Trichinella testing and the sector's ability to export cull sows. Those problems that led to delays or rejections of loads have improved during 2021 but there remain additional costs to exporting as a result of Export Health Certificates and other required paperwork. In the first six months of 2021, HMRC data showed pork exports to the EU were down 35% on the previous year but the picture has improved since the severe disruptions in Quarter 1. It will take more time to understand the overall impact of EU Exit on exports as much of the data from 2021 will also have been impacted by COVID restrictions across Europe affecting consumer behaviour.
 - a) Confusion and ill-preparedness over Trichinella meant that all pork from animals aged over 5 weeks exported to the EU had to be tested, or the meat frozen until matter was resolved by the EU Commission in April. This added to wider export issues facing the industry in the early months of this year.
 - b) Export disruption was particularly problematic for cull sows because there is no market for them in the UK (similar to mutton for sheep, cull sows and boars are the parent generation and so the meat tends to be fatter

and tougher) and we have no further boning out or processing capability. The vast majority of carcasses go to the EU, largely Germany for sausage making. There are only two main cull sow processing plants in the UK, and neither were taking cull sows at the level the sector needs because of issues with exporting. The situation has improved as exporters and border controllers became more familiar with the processes but there are still extra costs incurred for every load moving from the UK to the EU.

- c) Between January and August this year, 300,000 Export Health Certificates have been required to export our meat to the EU, costing the industry £40 million. It has put huge pressures on limited veterinary resources; so far collectively it has taken about 400,000 hours to complete the forms. Companies sending equivalent products the other way across the Channel do not face these costs and will not have to worry about the additional bureaucracy until next year. This trade imbalance has exacerbated an already very challenging period for the British pig industry.
- **Poultry:** Like other sectors, poultry exporters are struggling with levels of paperwork required for export, but also specifically with the interpretation of what is required on the Export Health Certificates by the French and Dutch Border Control Posts. Our members have also experienced issues with TRACES – the online system used for health certification and tracking consignments of animals or animal products entering the EU market – as well as the issuing of the Common Health Entry Document (CHED).
 - a) There have been anecdotal instances of inconsistent approaches taken by different border control post officials inspecting trucks carrying fresh chicken/chicken carcasses through the BCP. In some cases, a full check of all the documentation was carried out and some loads rejected for administrative errors. In that situation replacement certificates had to be reissued thereby holding up the loads at the port. Other loads were so delayed that the product had to be sent for rendering. These are not non-compliance issues, but issues of an administrative nature such as the colour of the Official Veterinarian (OV) stamp.
 - b) Now that the UK is a third country, day-old chicks can only be exported to the EU in disposable cardboard trays. Prior to the end of the transition period, day-old chicks were transported in re-usable plastic trays, which are cost-effective, easy to disinfect and more sustainable than single-use cardboard. Cardboard is in high demand as a packaging material and the industry has seen significant price rises in recent months. Nothing has changed with regards to our standards, processes or export procedures since the end of transition, but this is causing additional cost and administrative burden for exporters of day-old chicks.
 - c) Outbreaks of Avian Influenza in the UK also cause disruption to export of poultry meat to the EU. As a third country the EU will only accept exports from restricted zones once 90 days has elapsed post adequate cleansing and disinfection (C&D) of the infected premises. Before the end of the transition period this was a period of 30 days. Additionally, in cases of Avian Influenza since the end of the transition period the export restrictions have not been lifted by the EU in a timely fashion at the end of

the 90 days. This has caused frustration for exporters of fresh meat and day-old chicks, nothing has changed our end in process or procedure, so the risk presented by UK exports has not increased. However, the NFU does acknowledge the fact that the UK is applying these same rules and EU products destined for the UK now face the same longer time periods.

- **Sheep meat:** Lamb and sheep meat processors and exporters have commented on the issues they are currently encountering, including problems with grouped or consolidated loads and the risk of incorrect paperwork, or multiple recipients not correctly filling paperwork, lack of training of staff at the borders and new costs from increased inspections. This has been quoted by some as an increased cost of around £1.20 per carcass without including extended drivers' times. Based on historic trade flows between the UK and EU (3 year average based on 2020, 2019, 2018) this would equate to an extra cost to UK industry of between £3.5m - £5.3m.

2. Do you agree with the Government's decision to delay further the introduction of certain checks and controls on imports of EU goods into GB? What are the advantages and disadvantages of this decision?

Since the implementation of the EU's border controls in January, UK agri-food exporters to the EU have lost more than £1.8 billion. Yet while our exporters have been struggling with additional costs and burdens, EU competitors have been given extended grace periods by the UK government to maintain access to the UK market relatively burden free. While further delays to controls on imported EU products may go some way to keep supermarket shelves stocked at a challenging time for the UK supply chain, the current production and supply issues are largely due to workforce availability. That is why the food and farming industry is asking for a 12-month Covid Recovery Visa and to expand and make permanent the Seasonal Workers Scheme. A delay to controls on EU imported products will do little to address supply chain problems, nor the long-term trade frictions farmers are experiencing. Negotiators must seek to achieve a level playing field with pragmatic and equitable checks on imports and exports as quickly as possible.

a. In your view, what were the key factors underpinning the decision to delay the introduction of import controls?

NFU engagement with the government suggests that there was a significant degree of activity within Whitehall preparing government agencies and traders for the new controls foreseen for 1st October 2021 and 1st January 2022. The government was undertaking a significant number of industry webinars to GB and EU traders, recruitment for officials at Port Health Authorities was reportedly complete for the majority of EU facing ports in England and was underway for APHA officials for physical checks from 1st January and 1st March 2022.

There are some questions around the readiness of UK IT systems for SPS controls, for example the use of IPAFFS to pre-notify and trace the imports of products of animal origin from January 2022, and whether it will be ready to be used instead of PEACH for the import of plant/ plant material from July 2022.

It appears that the main source of UK Government's preparedness concerns related to EU trader readiness, EU certifier capacity and issues of BCP preparedness across the country, most particularly within the Devolved Administrations.

The UK Government has very little influence over EU trader readiness or EU certifier capacity. There is now a heightened risk that the government's actions of further delaying the controls will exacerbate the lack of trader engagement in the EU and the necessary decisions to increase resources for official certifiers within EU member states.

The latest decision taken in September 2021 is the third time that our government has pushed back controls on imported agri-foods coming into the UK (announcements to phase in import controls from EU 13th July 2020, 11th March 2021 and 14th September 2021). There is no doubt that these continued setbacks make it harder each time to have genuine engagement and see the necessary resource allocation amongst EU traders. It is vital that the UK Government uses the time wisely between now and the next key dates to ensure that we do not simply see any further delays announced and that import controls are applied fairly and in a balanced way in line with the requirements our exporters have faced since 1st January 2021.

The NFU also represents a significant number of growers who have raised concerns about the government's plans and timetable for border controls regarding imported plants. For those growers, delays to the controls and additional time to prepare has been welcomed. For instance, growers have reported difficulties with the current PEACH IT system, describing the system as outdated and difficult to use.

Concerns have also been raised about a shortage of sufficiently trained APHA staff, which is placing pressure on both import and export inspection systems, and means growers often only have short inspections (for which they would still be charged the full fee). While we understand that there have been significant recruitment efforts in order to increase APHA inspector numbers, concerns remain around the experience and pragmatism of new inspectors. Furthermore, the inspection process does not seem to fully account for actual risk, with low-risk plants and plant products imported by growers facing 100% inspections and testing for low-risk pests and diseases in some cases. High risk plants imported by retailers (such as lavender, a *Xylella* host) are only facing 10% checks, and therefore potentially being freely circulated. Finally, there are ongoing concerns about delays and cross contamination during and after inspections, particularly once inspections move to BCPs. It is vital that these concerns are considered, and mitigations/ safeguards are put in place by the UK Government.

3. What are the implications of continued 'asymmetry' between GB and EU border controls, for example on the competitiveness of GB businesses, on border security, and on customs revenue? Are these asymmetric arrangements sustainable?

The NFU remains concerned that the additional cost to exporting borne by the supply chain will ultimately end up at the producer's door, either in the form of lower farm gate prices or increased levels of deductions (charges deducted from

total payment). There is also a risk that this could translate, depending on several other factors such as a product and market, into an increase in European consumer prices if this extra cost persists into the long term, and may make GB product less attractive and competitive on the EU market. There is a risk that without improvement UK companies will perceive the risk and bureaucracy of exporting as not worth the investment which would be to the detriment of UK farmers and growers in terms of added value, particularly in those sectors where the EU market provides an outlet for products that are not valued on the UK market.

a. What, if any, are the legal implications of delaying the introduction of import controls with respect to the UK's international obligations, both under the TCA and as a member of the World Trade Organisation?

We are concerned that the UK could face a legal challenge at the WTO regarding its border regime by giving the EU a preferential treatment, which is against the WTO Most Favoured Nation rule. Therefore, it is essential that the government does not dilute our border controls further, entrenching a competitive advantage for EU businesses.

c. To what extent are businesses, ports, hauliers, the customs intermediary sector and other relevant groups ready for the introduction of full customs controls, and the expiry of other relevant grace periods, from 1 January 2022, and for additional SPS controls from 1 July 2022? Are there any particular challenges or concerns ahead of these deadlines? How do current levels of preparedness compare to previous preparedness for the end of the transition period on 31 December 2020?

Some of the challenges around infrastructure and staff preparedness have been laid out in our answer to question 2a.

4. Ahead of these changes, what is your assessment of the quality of existing Government communications, guidance, advice, funding and support for traders and ports? If there are any shortcomings, how should these be addressed?

- The overall government guidance on GB to EU trade before 1st January 2021 was generally of a good standard, but the sheer quantity of individual pieces of guidance was overwhelming for its intended audience and was woefully late in coming for many key issues (such as guidance on Northern Ireland and release of the P&R list to the industry). The webinars run by government helped, but in early versions (i.e. before January 2021) were generally siloed into individual issues, rather than taking an end to end view of all new government procedures.
- Information provided by Gov.uk was generally high level and did not provide the reader with applied knowledge of the issues that they were likely to face when going 'live'. Rather than Gov.uk, the most helpful sources of government guidance for industry were from sector specific pages, such as the plant portal, or the Defra agri-food showcase sites. These sites provided more practical FAQs and case studies of actual trading scenarios. As outlined above, the industry took matters into its own hands by producing and

supporting the www.euexitfoodhub.co.uk which has had a significant number of hits in the run up to and beyond the end of the year.

- The guidance produced by government was often siloed and rarely provided an 'over-arching one stop shop' for all things a trader needed to know. For example, separate guidance for SPS checks on POAO, Rules of Origin, Customs and VAT was produced. Whilst the Border Operating Model was a useful integrated piece of guidance, its focus was largely on UK procedures and not on the things that a trader would need to do and prepare for with their counterparts on the EU side.
- The Trader Support Service and Movement Assistance Schemes have been helpful additions to the support provided to the industry for movements GB to NI. We have been calling for a similar service to cover UK-EU trade. Therefore, we welcome the recently launched DIT Export Support Service which provides support to UK businesses that export to the EU.
- We would recommend the government to establish regular (ideally weekly) interactive webinar calls to agri-food operators to present and talk through the 'end to end' processes required for exporting to the EU. This is something that the Defra Plant Health team has recently introduced and we think it would be beneficial to expand this type of service to all aspects of trade in agri-food products.
- Moreover, we request a 'one stop shop' in government for all TCA related issues to promote join-up between the interests of different government departments for the benefit of UK exporters and importers. Similar requests are being made by trade associations of the European Commission.
- Future proofing systems – currently EHCs need to be manually filled in by an OV. This can require versions in two or more languages with the same boxes filled/ translated (English, the language of 1st point of arrival and the language of final destination). We understand that this means a single EHC can take at least 30 minutes to fill out. A fully digital system should be developed in conjunction with the EU to future proof the system of exporting and importing and to reduce the administrative burden placed on businesses.

a. Having made the decision to delay the introduction of certain checks, how should the Government best use this extra time?

The UK is unique compared to most other countries supplying the EU market, in the sense that we are trading with our closest neighbours in high volumes and value perishable fresh products and, at least for the time being, remain aligned in practice with EU rules. Most trading systems, and the focus of EU rules in particular, are set up for shipments of frozen product arriving in containers. UK agri-food trade centres on perishable product using high speed roll-on/roll-off ferries, where it is not feasible for consignments to sit around waiting for hours or days to clear border procedures. The UK should seek to continue negotiations with the EU to simplify and streamline border procedures, and ensure that the unique nature and special starting point (i.e. regulatory alignment) is taken into consideration when developing mutually beneficial systems for both EU and UK exporters.

See previous answer for the NFU recommendations to the government.

5. Is disruption to trade flows or supply chains expected from the implementation of additional checks and controls from January and July 2022? If so, what form might any disruption take, and can it be mitigated by Government action?

We are expecting disruption to trade flows from the implementation of additional checks from July 2022 when Phytosanitary Certificates and physical checks on SPS goods will have to be performed at Border Control Posts. In particular, we are concerned about the EU exporters' readiness both in relation to private businesses and their administrations especially as the introduction of additional checks is repeatedly delayed. We are also concerned about the availability of BCPs (especially for live animals), the infrastructure required to carry out the necessary checks and the fees that operators will be charged. In order to mitigate the possible disruption caused by the July change, we urge the government to put in place testing and trialling procedures with the industry ahead of the July 2022 deadline.

6. What, if any, is the relationship between the timetable for the introduction of new checks and controls and the current challenges facing supply chains due to labour shortages?

In recent weeks the government announced temporary visas for butchers, HGV drivers and poultry workers, which would be valid through to the end of the year. It remains to be seen how successful this specific intervention will be, but the narrow sector focus and narrow window is likely to limit its efficacy at solving the labour issues seen in the broader food sector. Labour shortages across the food supply chain remain acute and continued engagement with government is essential to solve these wider issues. The food supply chain remains united in its view that a temporary 12-month Covid Recovery Visa is needed to enable the entire food and drink sector to recruit for essential roles, alongside an urgent announcement on the extension of the Seasonal Workers pilot scheme.

7. How would you assess the checks and controls that GB exports to the EU have faced since January 2021, such as Sanitary and Phytosanitary requirements, customs formalities, Rules of Origin, and VAT?

Please see sector-specific comments with regards to trade barriers in answer to question 1a.

a. What has been the impact of these checks and controls on British traders and hauliers?

It has been reported that officials at some EU ports are taking a very stringent approach to assessing paperwork, picking up minor administrative errors (e.g. wrong colour ink OV stamp) as opposed to issues which pose a genuine risk to biosecurity. This has caused delays to shipments, which in turn has led to the rejection of products upon arrival at their destination due to spoilage or late delivery.

ANNEX

For this NFU member, growing organic root vegetables, the cost of exporting into the EU has dramatically increased due to the new customs and border rules in force from 1st January 2021. This is the additional costs breakdown:

- Heat treated pallets required on all loads - £7 per pallet
- Phytosanitary certificate £180 per certificate. This is reduced to £25 if you undertake the inspections inhouse
- When importing into Dublin or Rosslare, the following additional costs per load apply:
 - UK Export €50
 - Irish Import €60
 - ENS (Entry Summary declaration) €20
 - SPS clearance €20
- Haulage rates have increased greatly due to the driver shortages and the additional checks and paperwork.

5 November 2021