



HOUSE OF LORDS
European Union Committee

House of Lords
London
SW1A 0PW

Tel: 020 7219 4579
Fax: 020 7219 6715
euclords@parliament.uk
www.parliament.uk/lords

4 September 2019

The Rt Hon Theresa Villiers MP
Secretary of State for Environment, Food and Rural Affairs
Department for Environment, Food and Rural Affairs
Seacole Block, 2 Marsham Street
London SW1P 4DF

Dear Theresa,

Defra's 'no deal' Brexit preparations

Congratulations as your appointment as Defra's Secretary of State.

On 24 July we wrote to your predecessor requesting a meeting in October to discuss Defra's preparations for a 'no deal' Brexit.¹ We understand that there are many demands on your time, and that the Prime Minister's intention to prorogue Parliament reduces the time available for such a meeting. Nevertheless, given the importance of these issues we still wish to meet with you in October, and do ask that you make time available.

However, given the potential for delay, we have set out some questions regarding Defra's 'no deal' preparations below. Please respond in writing: we will then discuss the issues in more detail in person.

In addition, we note the Government's announcement that from 1 September UK Ministers will only attend EU meetings where the UK has a significant national interest in the outcome of discussions, and that agriculture, fisheries, food and the environment were not included in the list of topics on which the UK is likely to remain engaged.² Please clarify in what circumstances the UK is continuing to attend EU meetings that fall within Defra's remit, and how the Government intends to ensure the UK's interests are protected in instances where the UK does not attend.

¹ <https://www.parliament.uk/documents/lords-committees/eu-energy-environment-subcommittee/no-deal/LT-to-MG-agri%20tariffs-240719.pdf>

² <https://www.gov.uk/government/news/uk-officials-will-stop-attending-most-eu-meetings-from-1-september>

Agriculture

As you will be aware, the UK must have ‘listed’ status with the EU in order for animal exports to continue after Brexit. Although this status was secured earlier this year, we understand that it has now lapsed, and that as of 31 August you had not yet applied for its renewal. This is deeply concerning, given the implications for the farming industry if they are no longer able to export animals and animal products to the EU. When do you intend to do so, and when do you anticipate approval being granted? What contingency measures are in place if the UK is not listed by the end of October?

In our letter dated 24 July we asked whether it is still the Government’s intention to apply the temporary tariff regime announced by the Secretary of State for International Trade on 13 March 2019,³ in particular as it relates to agricultural products, in the event that the UK leaves the EU without a deal on 31 October. Please provide a response to that question. If any amendments are being made to the tariffs that would apply to agricultural or food products, please set those out, and explain the rationale for the changes and what is being done to communicate them to industry.

If you do intend to apply that tariff regime, what is your response to concerns raised by the farming industry that the tariffs fail to support the egg, cereals, fruit and vegetable sectors,⁴ and that they create the risk of an oversupply and thus collapse in the price of milk and lamb within the UK?⁵

Also regarding tariffs, the Government has committed not to introduce tariffs on goods crossing from the Republic of Ireland into Northern Ireland. If, as we understand, tariffs will continue to apply to 13% of goods imported into the UK under the temporary tariff regime, including beef, lamb, pork, poultry and some dairy, what assessment has the Government made of the risk of such goods being diverted and entering the UK tariff-free via the Ireland/Northern Ireland border? What plans, if any, does the Government have to enhance regulatory controls of the movement of agricultural goods between the island of Ireland and the UK?

You will be aware that the National Sheep Association has raised concerns that sheep slaughtered in Northern Ireland would be subject to tariffs if they are exported for sale in the Republic of Ireland, thus “devastating” the Northern Irish sheep industry. What is the Government’s assessment of the impact on the competitiveness of the Northern Ireland farming sector if produce from Northern Ireland destined for the Republic of Ireland were to face import tariffs, but produce from the Republic of Ireland could be sent to Northern Ireland tariff-free?

Since we last corresponded regarding the implications of ‘no deal’ the EU-Mercosur trade deal has been agreed. What will be the impact on the UK of ceasing to be a party to that agreement in the event of a ‘no deal’ Brexit?

³ <https://www.gov.uk/government/news/temporary-tariff-regime-for-no-deal-brexite-published>

⁴ <https://www.nfuonline.com/news/latest-news/nfu-responds-to-publication-of-no-deal-import-tariff-schedule/>

⁵ <https://www.dairyuk.org/blog/2019/03/13/dairy-uk-urges-mps-protect-future-british-dairy/>;
<https://www.nationalsheep.org.uk/news/25858/nsa-responds-to-tariff-rates-announcement/>

Fisheries

As far as we are aware, the Government has not yet clarified whether it would honour the quota allocation commitments made at the December Council for the remainder of 2019 in the event of a 'no deal' Brexit. When the Rt Hon Michael Gove MP wrote to us in January of this year he stated that the cross-government agreement was being sought for an approach to this issue.⁶ Please update us on those negotiations.

In addition, please confirm that the UK would have the status of a coastal state rather than a third party in its fishing negotiations with the EU in the event of a 'no deal' Brexit.

Food

We understand that the Food and Drink Federation has requested reassurances that competition law will not be strictly applied in the event of a 'no deal' Brexit in order to allow the food industry to manage any supply problems arising, for example by deciding where to prioritise food shipments.⁷ What is your response to that request? Have you provided such reassurance to the industry?

Environment

We are concerned that, in the event of a 'no deal' Brexit, the Office for Environmental Protection (OEP) will not yet be established, leaving a potential environmental governance gap. When we spoke with your predecessor in April this year, he informed us that Government had taken steps to set up a shadow body to scrutinise and monitor any breaches of law, which the OEP could take action on once it is set up.⁸ Please update us on the establishment of the shadow body, its staffing and resources. In addition, how long do you expect it to be before the OEP is functioning?

Chemicals

Is the Health and Safety Executive adequately prepared to take on the task of managing an independent regulatory regime for the chemicals sector in the event of a 'no deal' Brexit? Is the training and recruitment of the "35 to 40" people that had been deemed necessary on-track?⁹

⁶ <https://www.parliament.uk/documents/lords-committees/eu-energy-environment-subcommittee/no-deal/MGtoRT-nodealdefra-15012019.pdf>

⁷ <https://www.fdf.org.uk/news.aspx?article=8147&newsindexpage=1>

⁸ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/eu-energy-and-environment-subcommittee/no-deal-preparations-energy-and-environment/oral/99387.pdf>

⁹ <https://www.parliament.uk/documents/lords-committees/eu-energy-environment-subcommittee/brexit-chemicals/TCtoLT-REACH-19032019.pdf>

We look forward to a response to our questions within 10 working days.

Yours sincerely

Lord Teverson
Chair of the EU Energy and Environment Sub-Committee