Dear Joan,

Thank you for your letter of 9 February to the Chancellor of the Duchy of Lancaster, about the impact of the end of the transition period and implementation of the Trade and Cooperation Agreement (TCA) on Scotland’s food, drink and agricultural sectors. Your letter has been passed to Defra as the department responsible for this policy area.

The TCA provides food producers and retailers with the certainty they require to continue trading with Europe. It avoids the imposition of tariffs and quotas which would have arisen in the absence of an agreement.

As with any major change, Defra recognised that for some industries there would be challenges to overcome. Therefore, The Government laid the groundwork to minimise disruption by investing £4 billion in preparations for the end of the Transition Period. This included £705 million into infrastructure, staffing and technology at our borders, and £84 million in grants for customs intermediaries.

Defra is working with other Government departments, industry and EU authorities to ensure smooth trade flow and minimise disruption at the border. To do so, we have established a weekly seafood exports working group to identify operational issues and resolve these across the Government, as well as a Scottish Seafood Exports Task Force to consider medium to longer term issues, with the aim of increasing confidence in the seafood and aquaculture supply chains.

There are regular technical group meetings with senior French officials from the national customs policy area and agri-food department. This forum is used to escalate and ultimately resolve technical issues at the border. My officials also have daily calls with the French Embassy in London to escalate, monitor and resolve live issues as they arise.

A joint Defra/HMRC support package of online guidance and training has also been issued to exporters, and a £23 million Seafood Response Fund has been made available to support seafood businesses, covering losses caused by delays incurred between 1–31 January, with applications now open.
Having listened to concerns from fishing businesses across the UK, Defra have expanded the eligibility criteria of the Seafood Response Fund to target catching and shellfish aquaculture businesses. These expanded criteria will mean more businesses can get the support they need in the form of cash grants of up to £10,000. The Marine Management Organisation will contact eligible registered owners and licence holders directly with details of how to apply, starting in early March.

To support businesses, the Government has sought to minimise the burden of paper-based systems. This includes a new IT system, EHC Online (https://www.gov.uk/government/publications/how-to-register-for-export-health-certificate-ehc-online/ehc-online-apply-for-export-health-certificates) which allows exporters to apply for Export Health Certificates (EHCs) digitally. Exporters are encouraged to register; Defra has published extensive guidance on: https://www.gov.uk/business-and-industry/export-controls. Over 4,800 attendees have so far attended EHC Online webinars. For supply chain checks which are impossible to digitise, such as the certification of EHCs for products of animal origin, the Government has increased the number of Official Veterinarians and Certification Support Officers.

The UK Government also recognises the impact the pandemic has had on industry’s ability to prepare. For that reason, we have taken a pragmatic approach to allow businesses time to adjust, such as a staged introduction of our new border requirements. As these ‘grace periods’ come to an end, Defra will continue to work closely with businesses and are implementing processes to ensure that exporters understand the requirements they need to meet to continue trading with the EU. Defra will continue to meet Scottish businesses and the Scottish Government over the coming months, whilst continuing our public information campaign.

Moving forwards, on ratification of the TCA by the EU, the UK Government will work with the Commission to establish the Committees and Working Groups provided for by the TCA. Where the TCA explicitly provides, the Government will seek to further minimise ongoing barriers to trade through regular dialogue with the EU. The Government will continue to work with the Scottish Government and other Devolved Administrations as plans for the UK’s participation in the TCA governance structure are developed, and as well to minimise barriers to trade as a newly independent country. The Government will ensure concerns raised by the Devolved Administrations are properly considered and the whole of the UK is able to benefit from the TCA.

RT HON GEORGE EUSTICE MP