



Northern Ireland  
Assembly

Committee for Agriculture, Environment and  
Rural Affairs

# OFFICIAL REPORT (Hansard)

EU Exit Preparedness:  
Department of Agriculture, Environment  
and Rural Affairs

5 November 2020

# NORTHERN IRELAND ASSEMBLY

## Committee for Agriculture, Environment and Rural Affairs

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**Members present for all or part of the proceedings:**

Mr Declan McAleer (Chairperson)  
Mr Philip McGuigan (Deputy Chairperson)  
Ms Clare Bailey  
Mrs Rosemary Barton  
Mr Maurice Bradley  
Mr Harry Harvey  
Mr William Irwin  
Mr Patsy McGlone

**Witnesses:**

Mr Norman Fulton	Department of Agriculture, Environment and Rural Affairs
Mr Robert Huey	Department of Agriculture, Environment and Rural Affairs
Mr Mark Livingstone	Department of Agriculture, Environment and Rural Affairs
Dr Denis McMahon	Department of Agriculture, Environment and Rural Affairs

**The Chairperson (Mr McAleer):** I welcome Dr Denis McMahon, the permanent secretary; Robert Huey, head of the veterinary service and animal health group; and Norman Fulton, head of the food and farming group. Via StarLeaf, we have Mark Livingstone, a grade 5 in the Brexit contingency planning branch. Mark, you are very welcome. Denis, I invite you and, indeed, your officials to commence the briefing, following which we will have some questions.

**Dr Denis McMahon (Department of Agriculture, Environment and Rural Affairs):** Thank you very much, Chair. On 24 September, my colleagues and I provided a verbal update on the sanitary and phytosanitary (SPS) operational delivery programme. It is my intention, with your agreement, to provide a further update on that element of the transition programme today and to address any questions that you may have. In doing so, I recognise that colleagues have been providing you with a lot of evidence on various other aspects of that work and that you are faced with a huge amount of work resulting from the legislative programme, as, indeed, is the Department. Transition represents an unprecedented programme of work, both in scale and complexity, and I am very conscious of the pressures that it places on the AERA Committee, so I would like to take this opportunity to thank you for your challenge and support.

Before taking you through the operational delivery programme, I would like to address some of the other issues that you have raised. With regard to the preparations for a possible no-trade deal, it is difficult to be definitive without knowing the specific circumstances that might apply in that situation. A key impact would be the application of tariffs on goods moving in both directions between the UK and

the EU and understanding how that will affect markets and trade flows. While the Northern Ireland protocol would continue in law, the additional complexities that would arise from a no-trade-deal scenario would, undoubtedly, lead to disruption, particularly for the agri-food industry where tariff and non-tariff barriers tend to be greatest. Clearly, from a DAERA perspective, no trade deal is not an outcome that we would welcome, but we are planning for every eventuality as far as we can.

With regard to the Internal Market Bill, the House of Lords Committee second sitting took place on 28 October 2020. Discussions involved consumer/environmental protection, the protocol and common frameworks. The Bill is provisionally due to pass to Report Stage on 16 November 2020.

You also asked about unfettered access. Norman will be happy to provide you with a more detailed position during questions. Again, that is a very challenging issue. We are seeking to find the right balance between ensuring that Northern Ireland businesses have full and unfettered access to the GB market and avoiding unintended consequences. Agri-food products moving from Northern Ireland to GB for onward travel to the EU will, in some cases, need to be accompanied by additional supporting health documentation. Those support health attestations (SHAs) are required to provide the additional information that will allow the completion of a final export health certificate at the point of dispatch in GB. DAERA officials have recently carried out a targeted survey with key food business operators to estimate the possible extent of that trade, and the results are being used to develop an operational delivery model. Again, we can come back to any of that when we get to the questions. We are also arranging communications with a wider range of businesses and relevant stakeholder organisations in the coming weeks. I should also say that we have maintained constant contact with industry representatives throughout the process.

On operational delivery, it is always useful to begin by reminding ourselves of the basis for the programme. The legislative basis for the SPS operational delivery programme is the EU official controls regulation (OCR). The requirements, as set out in the OCR, apply directly to Northern Ireland as a result of paragraph 4 of article 5 of the Northern Ireland protocol and section 7 of the European Union (Withdrawal) Act 2018. Under the OCR, DAERA is responsible for sanitary and phytosanitary checks on certain goods coming into Northern Ireland.

I have said before that a range of issues from the beginning has had the potential to derail the work schedule necessary to meet the OCR requirements: for example, physical constraints at the sites, IT issues, the response of the market and transport considerations. Even without such issues, the deadline was almost impossible. Therefore, I pay tribute to my DAERA colleagues and those in other Departments, including the Department of Finance and, within that, the construction and procurement directorate, who continue to work extremely long hours to meet the significant demands.

It remains the case, however, that, for reasons outside the control of DAERA, none of us has been granted the time necessary to reflect fully the outcomes of the negotiations or to take forward this complex programme in the way that we would need to. The Committee will recall that we began the programme on a red/amber basis, which indicated the strong likelihood of failure to meet the challenging deadlines, due to the lack of clarity on key matters that are central to the success of the programme.

The Minister has always been strongly opposed to additional checks and requirements on goods moving within the UK internal market. However, he has also acknowledged the commitments in the protocol and the need to ensure that goods legally enter Northern Ireland on 1 January. Furthermore, his position is that the implementation of the protocol must minimise frictions on the flow of agri-food trade and work for our businesses and consumers. There have been comments on that by the Minister this week. The Minister's position of minimising frictions is shared by the UK Government, as set out in their Command Paper that was published on 20 May 2020. Those and other matters of UK and EU policy continue to be addressed through our colleagues in DEFRA. Notwithstanding the lack of clarity and the wider political negotiation landscape, work has continued at pace since we last updated you. I want to talk you through that.

At this point, I will provide you with an overview of the plans and how the processes will work. It is important to say that successfully implementing the plans will depend on agreements between the UK Government and the EU. We still lack clarity, as I said, on the negotiation on some key issues, such as how mixed consignments, such as retail consignments for direct sale to the end consumer, will be addressed. We have, therefore, had to make some very significant assumptions. That is the nature of the space that we are in. The unknowns are such that we cannot be ready for all eventualities. We will do our best to prepare for delivery on day one and will adjust our plans if others are unable to deliver what we need. We will just decide to go ahead and do that.

There are three key elements in our plans to deliver fully functioning points of entry: the arrangements necessary to undertake documentary and ID checks — for shorthand, I will say ID checks — for SPS goods entering Northern Ireland; the substantive plans for facilities that will be necessary to take physical checks; and contingency plans for the purposes of covering any gap in arrangements between the 1 January 2021 and the implementation of the full solution. I will take you through those points.

Whatever model is implemented under the OCR, full documentary and ID checks will be required on all sanitary and phytosanitary eligible consignments. That, in turn, means that two elements need to be in place ahead of 1 January 2021. First, we will need SPS certificates to be completed in GB. That is a really important point. To do that, the UK Government will need to ensure that there are enough vets and other appropriately qualified and trained staff in place to issue the certificates and that businesses in GB are fully prepared to undertake the necessary processes. DAERA does not currently have visibility of the plans. We have constant conversations with DEFRA, but we do not have visibility of the plans that DEFRA intends to put in place to deliver that essential element of the process. The certificates will need to be entered into an appropriate IT system, connecting with Her Majesty's Revenue and Customs (HMRC) and the EU's SPS control system, TRACES NT. DAERA is working with DEFRA technical teams on a solution, allowing access to official certificates held in the DEFRA export health certificates online (ECHO) system, and that work is progressing, with access to export health certificates on track for day one, followed by phytosanitary certificates.

Secondly, we are planning that documentary checks will be carried out electronically, as far as possible, and carried out online using TRACES NT, integrated with a bespoke ICT system. Staff authorised by DAERA will carry out the documentary check remotely.

Plans are also being formulated for ID checks for SPS consignments. Robert will talk you through that in more detail, but, essentially, those are to be undertaken by DAERA-authorised staff or by other official bodies authorised by DAERA. ID checks for those consignments will be carried out through visual verification of a seal on the shipping unit. That will have been applied under the supervision of the competent authority in GB. If necessary, DAERA-authorised staff will be located at Cairnryan, Liverpool and Heysham to carry out the checks. That is to avoid, as far as possible, having to stop lorries when they come off the ferry. The work will be done while they are waiting to get on the ferry. That leaves a need for a percentage of consignments to undergo physical checks. Physical checks would, therefore, be the remaining element and would be provided in Northern Ireland. Hopefully, that aspect of the checking will be confined to non-retail consignments, but, again, those are all matters for discussion.

One of the most significant aspects of the programme has been the need to identify suitable site locations for point-of-entry facilities. As you are aware from my last briefing, specific sites have been identified at Larne, Belfast, Warrenpoint and Foyle. The programme team remains in negotiations with the ports through Land and Property Services and the commercial division of the Departmental Solicitor's Office (DSO) to secure the relevant lease agreements. There are, however, some major assumptions built into our plans. For example, with consignments of goods for sale to the end consumer, we are planning on the basis of no physical checks, recognising the low level of risk associated with retailer consignments and the processes that will be undertaken in GB before boarding the ferries. I want to be very clear, however, that that is still subject to final agreement between the UK and the EU. If facilitations are agreed for those consignments, it will reduce substantially the overall volume of physical checks, checks that will still need to be undertaken on other SPS consignments, again based on risk.

Whatever model we are ultimately required to implement, we will need enough facilities, staff and equipment in place to support it, so contracts were awarded to John Graham Construction Limited for Larne harbour, Felix O'Hare and Company Limited for Belfast harbour and CTS Projects Limited for Warrenpoint harbour on 7 October 2020. The contractors have been asked to deliver designs and schedules by 16 November 2020, but, obviously, that will be followed by a process of further discussion. Completion dates cannot be confirmed until that time, although it is clear that full facilities will not be in place by January 2021. It is also worth noting that the time taken to draw up schedules has been affected by the fact that we have diverted the contractors to the development of contingency plans, and I will come to that in a moment.

Before I move on from the full plans, it is worth touching on planning consents. It is DAERA's opinion that our proposals fall within permitted development. I should say that the detailed briefing that I am giving you today is right up to date. This is moving day by day, and I want to make sure that I give you

the information, so apologies if I am giving you a bit too much detail. We will happily follow up in writing, but I think that it is important that you hear all the facts on this.

Applications for the proposed certificates of lawful use or development were submitted to the relevant councils on 15 September 2020. That ensures that the councils determine the technical planning aspects for accuracy but also ensures that there are no adverse environmental impacts from the proposed facilities. We have received a formal decision from Belfast City Council indicating that it agrees with our determination that the facilities planned for Belfast port are considered permitted development. We also have notifications that Foyle and Larne ports have been agreed and are waiting for certificates, but, obviously, until we have the certificates, we do not have the certificates. We are also waiting for the Warrenpoint council decision, which we expect shortly. Again, I will update you on that. One of the things that we will have to look at now, as we develop contingency arrangements, is what planning certificates are required there, but, again, that will not stop our work. It could not stop our work at this stage, given what we have to do.

The achievable product, for 1 January 2021, will require some rationalisation of designations. We will not be able to approve facilities to handle every type of product at every port on day one, and, within that, there will be a risk of significant delays in clearing consignments. We will need facilitations from the EU, working with the UK Government, to mitigate that risk. Robert will be happy to cover that issue during the question session. Our contingency arrangements will be based on a number of assumptions: documentary checks will be completed electronically; ID checks will be carried out at GB ports immediately prior to sailing; and container units that require physical checks will be notified of that before they arrive in Northern Ireland, and, typically, they will amount to between two and four roll-on roll-off vehicles per sailing. Some more detailed arrangements are planned for unaccompanied freight, and we are considering those.

There are key contingency arrangements. In Larne, the existing facilities and space at Redlands Road, with the addition of some modular builds, will be utilised for live animal checks. We also intend to repurpose an existing shed in Larne port. We will build temporary facilities inside that shed to allow physical inspections to take place. Office accommodation for additional staff that are required has been provided for by renting from the harbour. Three sites have been identified in Belfast for physical checks. They include the existing facilities at Corry Place and Dufferin shed. The project team is working well with the Belfast City Council team and the harbour authorities. An external area within Warrenpoint harbour has been identified. A temporary product inspection facility can be constructed at that site. No new infrastructure is proposed at Foyle. DAERA has an existing structure that is utilised by the DAERA fisheries team. It will be fitted with temporary inspection equipment and utilised until a new modular build is in place. Detailed arrangements on contingency are being put in place with the contractors, and it is our intention to have those finalised very soon.

In summary, our assessment is that the full build programme could take until June 2021 to complete. I caveat that by saying that that depends on what comes out of the detailed scheduled discussions with the contractors that we are having at the minute. We have continued to develop proposals on the end-to-end process on IT, and on people and work streams. We are clear on the delivery pathway for the IT provision, and we will have that in place on 1 January 2021. If anything happens to change that position, I will let you know. Recruitment exercises and bespoke training for the portal official vets and inspectors are in place and will continue over the next eight weeks, but the challenging time frame means that we are actively looking at the redeployment of existing staff.

My message to you is that we have continued to work very hard since I briefed you previously. It has taken intensive and consistent work to get to where we are. Hopefully, I have given you an assurance that we are putting everything into this programme. We need the UK Government, with the EU, to step up so that we can make this work. In the meantime, thank you for having us here. We are happy to answer any questions.

**The Chairperson (Mr McAleer):** Thank you, Denis, for that detailed and comprehensive briefing and for the written briefing that was provided to us ahead of the meeting. A number of members have indicated that they want to ask questions, but I will kick off. Your briefing has identified this as a "Major Emergency Response Plan". That is very stark language. Will you elaborate on that? You designate it as a major emergency and say that the full build programme will not be completed until June 2021, so the burning question is this: come January, will the necessary facilities be in place to enable the free flow of goods, east and west? That is crucial. As you know from your experience and from the market, the British market is essential for our agri-food. What is your projection? If the full build will not be ready until June 2021 and the Department has identified that this is a major emergency, what is your assessment of what may or may not happen on 1 January?

**Dr McMahon:** There are three elements to that, so I will try to unpack them a wee bit. I will talk about the major emergency response plan first. We will talk a little bit about the movement of goods from here to GB, because, in physical terms, that is an easier issue, and, then, we will talk a little bit about the contingency arrangements here.

It is worth explaining that we have activated the major emergency response plan a number of times in recent years, and we did so before some of the "no deal" deadlines that occurred last year. It is also worth saying that there are two reasons for activating the plan. One of those is, indeed, that we want to make sure that we are operationally ready for Brexit, but the other one is, of course, COVID. What happens typically when we decide to activate the plan? We decide to do so because we realise that we are moving into a much more operational phase and the plan provides absolute clarity. We have a gold command structure, which met this morning, for example. In that, we prioritise those things that absolutely must be done operationally to keep us afloat. It is nothing more or less than what it says, but it is about clear communications and clear prioritisation and that is why we have activated it. To be honest, I would love to say that there are preset criteria, but, typically, it is when the top management team in the Department feels, at a certain point, that there is a lot going on and that there are a lot of operational issues that need to be dealt with now or very soon. That is when we get ourselves into that mode.

The second element is movements from Northern Ireland to GB. We are looking at a very different set of challenges there. Norman will answer questions about that in a moment. The challenge is about how the right arrangements are put in place that ensure that Northern Ireland businesses have absolutely free and unfettered access while, at the same time, preventing a situation where they are undercut by other products coming in from across Europe. There is something about getting the rules right, and that is the challenge. That is more of a policy challenge at the moment for DEFRA, and we are trying to input to that all the time. That is the nature of that challenge, rather than its being a physical infrastructure issue. I cannot see any scenario at this time — Robert can correct me when he speaks in a moment — where we would be necessarily stopping products, for example, going to GB. There is nothing in that sense. The issue around controls will be more on the GB side.

That brings us to the contingency arrangements and what will happen on day one. The interesting thing is that there is an issue about a percentage of physical checks having to happen and about having the facilities in place to be able to do that, but, one way or the other, that is going to affect only a minority of consignments. The majority of consignments will come through without being stopped on the basis that I have just talked about. A seal check will be done at the port before the consignment leaves and goes on the ferry. At this end, we will not be stopping most of those lorries. Some of them will get an indication that they have been selected for a percentage physical check.

The real challenge will be to ensure that the certificates are in place to do that. We need to make sure as far as we can — businesses and DEFRA need to make sure — that those certificates are ready, because when they come across to us, unless we have a certificate, we have nothing to approve. It might be helpful for Robert to elaborate on any of those contingency arrangements. I will make an important point before I hand over. You will have heard me list the physical sites that we have got; we have got places where we can do the checks. However, the challenge is this: how many of them will there be and will the documentation be right? If the documentation is not right, they do not even get to that point.

**Mr Robert Huey (Department of Agriculture, Environment and Rural Affairs):** The question is this: will we be able to deliver a full service on day one? That depends on the outcome of negotiations, so we will probably know more in a fortnight. As Denis said, we are preparing for a range of scenarios, but we will not be able to deliver the frictionless movement that we all hoped for between GB and Northern Ireland on day one. We will be able to ensure that physical checks are carried out to a level that allows products to enter Northern Ireland, albeit, on some occasions, with delays. We have done what we can to try to minimise the friction. We have talked to the Commission and worked with GB, DEFRA and others to try to ensure that a plan is in place that minimises the imposition on importers as much as it can.

The documentary check piece will be done almost entirely electronically online by admin staff in Larne. A lot of those checks will be done before the consignment ever leaves the port in GB. The identity checks will largely be done by a check of the seal. For that check to work, the seal has to be put on to the container by an official in GB. If that is done, it allows us to check the container at the port in GB, and that is a sensible place to do it because, if there is any non-compliance, it means that the container does not move away from the GB port and does not create difficulties when it comes to

Northern Ireland. We can clear the containers from an identity check to allow the free flow of goods through the ports in Northern Ireland.

The physical check is the difficulty. The number of physical checks is very difficult to calculate, because we do not know what the legislation will say and we do not know what tariffs or other things might affect the flow of trade or whether trade will be diverted elsewhere. We do not know what preparations the supermarkets will make or what changes they will make to their normal logistical chains. There are a lot of unknowns.

The Department's planning is based on the assumption that there will be two to four consignments per sailing that arrive into Northern Ireland with products of animal origin, high-risk products of animal origin and products not of animal origin that will need to be checked in each of the ports, and we can do that. The Department can deliver that number of checks with the infrastructure. As Denis said, we will have to rationalise our designations. For example, we are hoping that livestock such as cattle, sheep and pigs can come into Northern Ireland through Larne and Belfast. We will not be able to do that. We will not have the livestock facility in Belfast; we will have only one in Larne. That is only an indication of the rationalisation of designations that will have to take place. There will be products that will only be able to come through a limited number of points of entry. There will be a limitation on the speed with which we can clear consignments through their physical check. We will have detailed plans, by Friday, of what the facilities will look like. I am convinced that the facilities will deliver sufficient capacity to allow trade to continue.

**The Chairperson (Mr McAleer):** Another point mentioned in your oral and written briefings was the possibility of having to redeploy staff. I know that a recruitment process is ongoing. You will be more familiar than us with the pressures in the Department, such as those arising from the TB programme, the rural development programme and the upcoming rural policy. You will be more than aware of the challenges in the Department. What potential impact could the redeployment of staff have on the implementation of the other programmes in the Department?

**Dr McMahon:** I will hand over to Robert, because most of that is on his side at the moment. He referred to some admin people. It is a case of moving people over for a period while we build up the capacity. Robert can talk about specific impacts. You are absolutely right: the fundamental point is that we have a real issue with resources. We have increased the size of the Department, and it has been a struggle to get that. To be honest, it is not all for negative reasons. We have found that a lot of our people are quite employable and can be poached. Sorry, maybe I should not have used that word. The point is that the Department is still not at the capacity at which it needs to be. We have increased our numbers from about 2,900 to about 3,200 at this time. I can give you the exact figures, and they vary from month to month. Robert can talk to you about the immediate impact on the operational issues on his side of the house.

**Mr Huey:** To operate 24/7, in Belfast and Larne, we estimate that we need 25 vets, 75 portal inspectors and 12 admin staff to do the documentary checks that we talked about. In addition to that, the local authorities estimate that they will require 30 additional environmental health officers (EHOs). Some of that will be for export work. We will need about 18 plant officers and three fish officers. The local authorities have made good progress, and most of their staff — their environmental health officers and additional plant and fish inspectors — are already in place.

For my staff, I need 25 vets. We have just recruited 14 new veterinary inspectors, and nine of them are going directly into the port. I already have six there, which brings me to 15. For the rest of the veterinarian resource, we will move some others directly into the port. We are training 53 vets across the Department in total. They are through their first phase of training; there are three or four phases to the training, one of which is being provided for free by the European Union. It comes down to the number of vets pulled out of the field. When you divide it across the 10 divisions, it is manageable.

For the 75 portal inspectors, I have 10 group 1 staff available from the end of the brucellosis programme. One of our successes is the eradication of brucellosis from Northern Ireland. The surveillance programme has come to an end, and that frees 10 group 1 staff who can be redeployed to the port immediately. We also have a recruitment campaign, and 14 people are coming from the recruitment campaign. They are coming in at the moment. The others will have to come from across the service. I have around 160 or 170 group 1 officers to draw from. Some of them will be permanently located at the port; some will work there on a part-time basis and provide cover.

This is such an important thing that it is the main effort of Dr McNamee, my deputy, at the moment. It is what she is concentrating on, as well as little things like beef to the US, keeping the Hong Kong market open and other small issues like that. Perpetua is concentrating on this, making sure that the people are in place and properly trained and working closely with the trade union side to ensure that it is done as painlessly as possible. Moving staff is one of the most difficult things that I do. Staff generally like to work where they are working. Perpetua is working through this as quietly and conscientiously as we can do and is working with the trade union side to try to avoid disruption to staff.

As far as the work is concerned, we are busy, and animal health keeps giving, as you are aware. There is an influenza outbreak in GB at the moment, which is probably coming our way, just to add to our woes. However, I am confident that we can maintain the services we are doing at the moment. I thank the staff publicly for their efforts.

**Mr Irwin:** Thank you for your presentation. I have a couple of issues. My first question is this: will the rules on checks be rigid from the first morning, or will there be a degree of flexibility to let things bed in? To me, that seems important. I am not sure whether that is doable. An added degree of flexibility would be helpful; otherwise, it will be quite difficult, if there are issues on the first morning.

My second question is in relation to "unfettered access". We are still not sure what that means. We hope that we know what it means, but do we?

Thirdly, I have a constituent who imports a large quantity of ware potatoes, and we are told that seed potatoes and ware potatoes will not be allowed to be imported into Northern Ireland, as things stand. That is a major issue. My constituent imports several thousand tons of ware potatoes from east England and supplies all the local chip shops, north and south of the border. Where do we stand with that? Negotiations are still going on, but it would be a travesty if that serious issue were not resolved.

**Dr McMahon:** On the last point, the Minister has written to his counterparts about that. He has serious concerns, which are due to the listing process for goods coming across from GB into Northern Ireland and, potentially, on into the EU. We are working closely with DEFRA to see what can be done about that and to accelerate the process, but there may be some gap after 1 January in getting that listing in place. That is why the Minister is concerned. It will be important for the business community to do whatever it can to mitigate that, hopefully short, gap. Nevertheless, it is not entirely within our control. I hope that that is helpful.

I do not know, Norman, if you want to add anything on that, and then we can move on to unfettered access. I should always say, "Add and correct if I have got anything wrong".

**Mr Norman Fulton (Department of Agriculture, Environment and Rural Affairs):** It is absolutely right that businesses need to do their contingency planning on the basis that there could well be a gap and to build that into their plans.

The objective with unfettered access is to ensure that direct trade from Northern Ireland to GB can continue as is. There are three components at a policy level to allow that to happen. The first is the Internal Market Bill, which establishes the principle of mutual recognition, because we will be operating under a new standard rather than the GB standard. That is an important aspect. There is also non-discrimination. That prohibits additional checks or controls on products moving from Northern Ireland to the rest of the UK. That is set out in the Internal Market Bill. The second component is the definition of "qualifying good", which we now have in subordinate legislation. It is any good present in Northern Ireland or any good that has undergone processing in Northern Ireland incorporating domestic goods or goods not under customs supervision. The third component, which we have not yet seen, are the anti-avoidance measures to prevent unjustified goods through Northern Ireland. That still has to come, and we have not had sight of that. Those three components effectively create the unfettered access arrangements. At this stage, particularly around the definition of "qualifying good", it is a bridge to a longer-term arrangement. Thoughts are now turning to what that would be and how it would work, particularly for agri-food, to address some of the concerns that they have. That is under active consideration.

**Dr McMahon:** This relates to the previous discussion that we had, because what we are doing is set out in domestic law. In that context, Robert will talk about how we hope to deal with the issue.

**Mr Huey:** We could have got as far as we have only through working with the EU Commission. The UK Chief Veterinary Officer (CVO) and I had face-to-face discussions with the senior veterinary team

in the Commission in Brussels. It worked hard to find flexibilities and clarification within the existing legislation in order to help us with a plan that was deliverable. We would not have got to where we are with a deliverable plan that I can present to you with some confidence if the Commission had not helped us and permitted flexibilities within the legislation — not new legislation but pointing out to us things such as the seal check instead of the identity check, and the ability to do remote documentary checks. Those came directly through help from the Commission.

So, on day one, what will it look like? When we have the legislative framework and know exactly what we are doing, part of what I do in my enforcement role is to produce a compliance protocol. That will lay out on day one for my staff exactly what they are supposed to do within the legal framework: what they can and cannot do. That will be shared publicly so that importers will know exactly what to expect, and that is where the flexibility will come, William. It will come within that compliance framework, and that may mean that it is not achievable to have full compliance on day one, but it will set the path of a phased introduction towards full compliance. That is important because that is what the Commission will expect. Remember, what all of this is about is trying to protect the SPS, and the plant, animal and public health integrity of the single market of the island of Ireland. That is really what this is about, and it is in order to achieve that. Therefore, my compliance protocol will have to be very similar to that of Dublin, and I will be working with colleagues in Dublin to try to achieve that. Otherwise, quite simply, goods will go along whichever is the easiest route, and that just makes a nonsense of the overall principle that we are trying to apply, which is to protect the island of Ireland, albeit from a very low threat from GB.

**Mr Irwin:** I can see difficulties on day one, or even in the first week or two. I had thought that there was some flexibility or otherwise you could have a nightmare situation.

**Mr Huey:** You would have to negotiate, William *[Laughter.]*

**Mr McGuigan:** Just so that I have this right: there will be DAERA officials in Liverpool and Cairnryan at the initial point of entry. There are no issues with that.

**Dr McMahon:** I should say that they are DAERA-authorized officials, so we are sorting that out and looking at a number of options. However, it will either be DAERA officials — Robert can talk about that — or we have other options that we are looking at.

**Mr Huey:** There is an option under article 73 to do this sort of thing in the official control regulations, but it does not really apply properly in this place. Therefore, we will either authorise the staff of the Animal and Plant Health Agency (APHA), or perhaps customs or even the operator, to act as officers of the Department so that I do not need physically to put my staff, with all of the HR difficulties with that, into the ports. If we have to do that, we will, and we might have to put a few members of staff over there to start with to sort out problems and issues, but that should be done on the end of the phone.

**Mr McGuigan:** To whom will they be accountable?

**Mr Huey:** Me.

**Mr McGuigan:** OK.

**Mr Huey:** As a general rule, Philip, it is my fault *[Laughter.]*

**Mr McGuigan:** There has been talk of EU officials being present here at the ports to check all this. Has there been any movement on that?

**Dr McMahon:** That is not a requirement.

**Mr Huey:** I have not heard that anywhere, except from Tony Connelly.

**Mr McGuigan:** OK. Tony is usually right.

**Mr Huey:** He is generally right, but, in my discussions with the Commission at a technical level, it does not know about it.

**Mr McGuigan:** Information will have to be shared between the British and EU IT systems. Has that been developed?

**Dr McMahon:** Yes, that is touched on in the briefing notes. Robert or Mark may want to elaborate on that.

**Mr Huey:** You know the difficult bit, Philip. The interaction between systems is one of the most difficult things to do in ICT, and there are lots of systems here. Just last night, I was assured, from my end, that the GB inspectors will have handheld devices — an iPad or another rubberised device — which will allow them to pull up the export health certificates (EHCs), interrogate them and be able to check off the seal while standing in the cold and wind at the side of a port. That is the important part: the interaction between my system and the TRACES NT system, or, I should say, Mark's system and the TRACES NT system, which is the EU system, in order to do the checks electronically online. That is on schedule for delivery; in fact, delivery is in December, which is before that happens.

On the other side, it is really for the exporter to put those systems in place where their control systems, which allow the exporting health certification officer to have the traceability of the product, thus allowing them to raise the export health certificate. That is, as Denis said, key in order to put that onto the TRACES NT system. The Commission has clarified that GB, as an exporting country, will have access to TRACES NT. For some time, it looked as if that was not going to happen, but it realised that it needs to happen now. GB will have access to TRACES NT as an exporting country; Northern Ireland will have full access to TRACES NT as an EU entity.

**Dr McMahon:** I will clarify one thing, which you may find interesting. In the OCR, there are very specific requirements around buildings and so on. There may well be something in there that says that there will be space to allow officials to come along' to check that our systems are in place. There has never been any suggestion about EU officials doing the checking. Obviously, we will be in close communication with the EU, which will approve the points of entry that we need them to approve, but not to do the actual checking. Just so that we are clear about that. That is not to say that nobody from the Commission will come and have a look. Clearly, people will need to look at the facilities to make sure that they are compliant.

**Mr McGuigan:** Fair enough.

**The Chairperson (Mr McAleer):** Can you hear me, Patsy?

**Mr McGlone:** Can I hear you? Yes, Chair.

**The Chairperson (Mr McAleer):** Go ahead, Patsy.

**Mr McGlone:** Am I loud and clear there? OK. Thanks very much to Denis and his team for their presentation, given the constraints that they are under because of external factors.

We were talking about the build and planning permissions, and, thankfully, they are permitted development, and certificates of lawful use or development (CLUDs) have been established for the points of entry projects at the ports. Denis, you mentioned that you are having a preliminary meeting with the contractor some time in November. Presumably, the contract has been sealed and delivered.

**Dr McMahon:** Sorry, yes. I will clarify that, and it is helpful that you raised the matter. What I meant to get across, which I maybe did not, was that we have been in detailed conversations and discussions with the contractors. The contractors have been appointed, and they are coming up with a detailed set of plans and work schedules, which are due to be with us by 16 November for the full model. In the meantime, more immediately, we have been working with the contractors to have contingency arrangements in place. They are doing a bit of work on the facilities that I mentioned at the ports that will be used for contingency purposes.

What I meant to get across was that, by 16 November, we will have detailed schedules for the full model, but, in the meantime, detailed planning has been done, and plans are ready for the contingency arrangements. Mark will be happy to provide additional information on that, if that is helpful, Patsy. He is in direct conversations with the contractors. Mark, would you like to add anything? I do not know whether he can hear me.

**Mr Mark Livingstone (Department of Agriculture, Environment and Rural Affairs):** Yes. Can you hear me?

**Dr McMahon:** Yes, go ahead, Mark.

**Mr Livingstone:** Good morning, Chair. Good morning, Patsy. I will give you a flavour of that. Including Foyle, we are working across the three major sites: Larne, Warrenpoint and Belfast. We are taking forward two parallel processes. The contracts were awarded to each of the big players on 7 October. We immediately had detailed conversations with them on the two parallel processes. They have spent the last two to three weeks putting the full design together, in line with Robert's teams and the other users on the sites, and, more importantly, the contingency plans, because I set them a date of 11 December to have contingency facilities at all the ports in place. They have been very focused on that. If you can imagine, we are running pell-mell to get the designs in place, agreed internally, drawn up by the contractors, and ensuring that we can access the ports, carry out the relevant environmental permission assessments and planning assessments for the contingency plans. That has taken up the last two to three weeks. On Monday, we got permission to push the button to start that contingency work. As we speak, the contractors are out on the three major sites, measuring and fitting up and putting in the orders for the temporary buildings. I have also asked them to work at pace to bring together the full designs. We hope to have those full designs by 16 November for initial discussions. We have had a lot of discussions on those already. That will set the time frames for the full design and the full build programme, which I will bring to you as quickly as I can.

**Mr McGlone:** Mark, you have probably answered my question. Is it a design and build by the contractor?

**Mr Livingstone:** Yes. We tried to remain agile at the very early stages. We knew from previous projects that we would not get the significant facilities built on time, so we awarded the procurement contract and used the actual contractors. There is one contractor for each port to design and build the contingency as well. As they become familiar with the team and the port, they can quickly get on to do both jobs.

**Mr McGlone:** That brings me on to my next question, which is about (a) the projected cost of the scheme in an agreement scenario, and (b) the projected cost in a no-deal scenario. What are the costs of each individual scheme at the three ports?

**Dr McMahon:** Mark, do you want to come in on that? I have figures but, to be honest, they change a bit. I am glad that you asked the question, because it is worth saying this on the contingency arrangements. Mark indicated that we got approval just on Monday for an additional £5 million for the contingency arrangements. That is across the three sites. I do not have that broken down by site in front of me, but we can get that as necessary. Mark, as best you can, given that this is a moving picture, do you want to tell us the current position on the full model?

**Mr Livingstone:** Patsy, the full cost of the builds across each of the four sites is about £38.3 million. I can write you a note on the specifics of what it will cost for each site. I just cannot remember those figures; they come in and out of my head. As Denis said, there is £5 million all in for the contingency planning. That will give you an idea of the significance. There is, for example, about £1 million to build the contingency facilities at Warrenpoint. They are by no means tents or bits of shed; it is substantial infrastructure. I can get you the full details of those in time.

**Dr McMahon:** Yes. I was going to say that, if you are happy enough, we will follow up in writing. We are very happy to do so to make sure that we give you the correct figures. To be fair, there is so much happening around this that they will change. However, I think that, at a point in time, it would be helpful for you to have the correct figures.

**Mr McGlone:** The second part is for you, Denis. I notice that you are holding a number of engagements and information sessions for external stakeholders and the likes. First, what shape and form will those take, specifically for businesses? Secondly, I am getting quite a few queries from businesses about what sorts of things can they anticipate from HMRC. Will you involve HMRC in the stakeholder engagements and information sessions that you intend to host?

**Dr McMahon:** That is our intention. One of the characteristics of this is that, while we are doing the SPS elements, there is a much wider piece of work involving HMRC, Border Force and other agencies

that are already based at the ports but need to change how they operate. There are many forums for businesses. I know that Invest NI and the Department for the Economy have been doing things. We will hold webinars. The intention is to involve HMRC, but we are just organising that at the minute. In a way, the objective — it sounds silly but, if they all turn round and say, "We already know everything that you have told us", while that would not be ideal, it would at least mean that we are communicating. There will be questions that we will not be able to answer and that are not in our control to answer because they are on issues coming out of the negotiations. If, at the very least, we can come out of that and say, "Here's a set of questions from the perspective of individual businesses" — it may well be about things that we are not seeing or realising that there is a big issue with — that will help us to refine our plans. It will also mean that we can do a Q & A brief, get those answers as quickly as we can and put them out publicly. The frustrating thing for us — it is nobody's fault; it is just the nature of a negotiation process — as we come to the end of the negotiating process is that we have to get ready and get businesses ready. How can we do that if we cannot give them answers? Even if we have a conversation in which we say, "At least you know that we're telling you everything we know", we can get their questions and, hopefully, answers. Even if we cannot answer them, we can get them from our colleagues as they come out of the negotiations. The intention at the minute is that it will be a Webex-type event. It will simply be a case of some short presentations and a Q & A session. Even if we cannot answer questions at the time, we will take them with us and do a brief.

**Mr Fulton:** A very comprehensive Trader Support Service has been put in place, but uptake has not been as good as it could be. It is important that individual businesses sign up to that service; it will provide them with very practical and direct support to meet the requirements. A strong message that needs to go out is that businesses need to engage with that service. It is very comprehensive. The Government have put a lot of resource into it. Businesses need to sign up.

**Dr McMahon:** That is a really important point. I should have said that. Our session is really a fail-safe to say, "Well, if there are questions that you're not getting answers to, at least we'll take them on board". In a way, it is in addition to all that. That is why I say that, if they say, "Well, do you know what? You're not telling us anything we can't get from anywhere else", that will be success for me in one way because it means that other mechanisms are working in the way in which they need to. It is really just to get an idea of where people are. Thank you for that, Norman.

**Mr McGlone:** Is the Trader Support Service operated by the Department or Invest NI?

**Dr McMahon:** HMRC. It is online. The details are there if anybody looks up Trader Support Service. We can certainly forward the links to it if that is helpful.

**Mr McGlone:** That would be great. Thanks very much.

**The Chairperson (Mr McAleer):** You said that £38.3 million was the total cost and that there is £5 million for contingencies. Is that money from the Treasury over and above our block grant, or is any of it out of the block grant?

**Dr McMahon:** No, that is additional money that has been approved by the Treasury.

**The Chairperson (Mr McAleer):** For that purpose?

**Dr McMahon:** Yes. It is important to write this down. We are talking about figures such as £38 million, and I have used figures previously such as £45 million. That is this year. There are two elements to the cost: a capital cost and a revenue cost. What we are referring to there is the capital costs that we have talked about. We will give you the current breakdown of the costs.

**Mr Harvey:** Robert, you talked about sending approved officials over to Liverpool and, maybe, Cairnryan. Are you thinking about employing someone here or sending staff whom you already have, or do you think that it would be more efficient to employ over there? Have you looked at that?

**Mr Huey:** Sending my own staff is my last option. My preferred option is to designate staff from the APHA, which is the equivalent service in GB. Strangely enough, it depends on the unfettered access part; if unfettered access is what we would all like, there will be no need for any SPS APHA staff. If they are not there, I cannot use them. If that is not possible, I would quite like to use Border Force; its officials are used to ensuring compliance. There is then the opportunity, perhaps, to use the P&Os and Stenas of this world to do it for me. We are still at the stage of investigating all that. The difficulty is

that I do not know the quantum of checks. I do not know how many containers with EHCs are coming, so I do not know what the pattern of checks will be. We are getting closer to having solid figures on that; the discussions are starting. In fact, Denis has asked for a paper on that, which we are expecting this week. It is a movable feast, Harry. Putting my staff over there would be a last resort. What I think will happen is that I will have to put a couple of vets over there at the very beginning to sort out teething difficulties, solve problems and make decisions. We are all used to working remotely now, so why would you physically put someone on the ground when they can be on a screen?

**Mr Harvey:** I know. Although we want to use your staff and employ people from here, it would not be cost-effective.

**Mr Huey:** It would be a nightmare.

**Mr Harvey:** Thank you.

**Dr McMahon:** It is worth adding that there have been many challenges with the process and with getting some of the facilitations in place. The Minister has been absolutely clear — to be fair, this is shared by everybody — about the need to make it as streamlined as possible, because, if we do not do so, it will be potentially damaging to businesses and consumers. One of the things that it has done is really encourage us to look at all those ideas in a different way; it has really pushed us. It would have been too easy to say, "Well, OK. This is how the rules apply, and that's it". The rules are written in such a way that flexibilities are built into them. We need to use those to the very best of our ability. It is a good example of where we are trying to do that.

**Mrs Barton:** Thank you, gentlemen. The issue of unfettered access is causing major problems. I have had representations from several plant nurseries that get their baby plants from the south of England, and they are really concerned about the documentation and paperwork that will have to be completed. The plants are very tiny and have a very limited shelf life, so they do not want them to sit at a port for a couple of days before they are brought across; they cannot afford for that to happen. Is there any reassurance that you can give to those people? I know that we spoke about this in relation to seed potatoes, but it is also a major problem for nurseries.

The other side of it is that there is still no indication of how checks will be carried out on Republic of Ireland goods travelling through Northern Ireland to GB. There are east-west and North/South issues. Can you give me some details on those issues?

**Dr McMahon:** I do not know whether Robert can touch on some of the issues with plants, given his SPS work.

**Mr Huey:** Rosemary, thanks for that. I put out a general call, which I may regret, asking people to make sure that we know about individual issues such as that. Yesterday's issue was that hatching eggs are not considered animals; they are considered goods, so they would not be prioritised. I think that hatching eggs should be prioritised, so I am trying to deal with and work my way through that. It is in that minutiae that our biggest problems will come. Plants will be a similar one. The little plugs that you are talking about, which dry out very quickly, is a particular issue. If we, in the SPS family of checks, know about those things, we will, in some way or other, find a way to prioritise them. Bringing forward issues such as that from your constituents is far from a waste of time; in fact, I welcome that stuff so that we know what needs to be prioritised. We have a fair good idea ourselves, but that does not mean that I might not miss something if you do not tell me, so tell me.

**Dr McMahon:** It might be helpful for us to give you more detail in writing on what the certification and processes will look like. If you are happy enough, we can follow up on that.

**Mrs Barton:** Yes.

**Dr McMahon:** Your other point was about unfettered access and ROI goods. Norman, do you want to touch on that?

**Mr Fulton:** Yes. That is goods moving in the opposite direction.

**Mrs Barton:** Yes.

**Mr Fulton:** That forms part of the three measures that I mentioned. It is really taking you through to the anti-avoidance measures. Basically, unfettered access is for Northern Ireland businesses and goods. Therefore, there has to be a mechanism to ensure that there is no rerouting of goods for unjustified reasons or for the purposes of avoiding formalities. The anti-avoidance measures will seek to address and prevent that. However, we do not yet have sight of what they will look like.

**Mrs Barton:** When will you get sight of them?

**Mr Fulton:** They are to be in place before the end of the year. Originally, we expected them to be in the Finance Bill. However, we have not seen them yet. They need to be in place by the end of the calendar year.

**Dr McMahon:** It is a great example of where we need to get that information as well.

**Mrs Barton:** I have one other question, Chair.

**The Chairperson (Mr McAleer):** Yes, go for it.

**Mrs Barton:** Denis, earlier, you mentioned that you have not had sight of DAERA plans yet.

**Dr McMahon:** Sorry, if I said DAERA, I meant DEFRA.

**Mrs Barton:** Not DAERA — DEFRA. My apologies. You have not had sight of DEFRA plans yet. You are meant to be working together and cooperating. Is that not disturbing? Surely, that is not helpful. Surely, you need to get sight of what it is doing. Will you comment on that?

**Dr McMahon:** Yes. We have a really good working relationship with DEFRA — I almost said DAERA. We have a really good, open working relationship with DEFRA. However, on that particular issue, we need more information. To be fair, there are bigger political and negotiation issues around this. Obviously, DEFRA is working hard at the minute. I will say this: it is not an easy position for DEFRA officials to be in either, because a lot of work is going on in the negotiations. They have been good at involving us. On that particular issue, the problem is that, if we do not know exactly how many certificates will come across to us, and if businesses are not ready enough, that is a challenge.

In fairness, it reflects the previous situation. Prior to the resumption of the Assembly, if you remember, we had some meetings where we talked about how, under the previous arrangements in 2019, we were having to prepare the certificates. At that time, there were headlines about 1.9 million certificates. DEFRA is now dealing with the same kind of scale of issue that we had at that stage, because those certificates have to be prepared. I do not want to criticise DEFRA colleagues, because they have been good with us. However, I will say that the sooner we have clarity, and the sooner businesses are clear about what they need to do, the better. That needs to come out of the negotiations, and it needs to come out quickly.

**Ms Bailey:** Thank you for the briefing and all the work that you are doing. You have made very obvious the pressures that you are under and how the lack of clarity is hindering progress. A while back, we got an update from the harbour commissioners. You have addressed many of the concerns that were raised. They had a particular concern about vehicles that are coming here being backed up in Cairnryan. Has the work to date made you feel any better that the potential backing up of that volume of vehicles coming to Northern Ireland via Cairnryan is being dealt with?

Looking at your written briefing, I note that the Scottish and Welsh Governments have recommended withholding consent for the Internal Market Bill, and that there is no further update from DAERA at this stage. How does that impact, if at all, on us going forward and the work that you are doing?

My final question relates to the trade negotiations around fisheries. Your briefing says that there is a proposal for a:

*"three year transition period to allow the EU fishing industry time to prepare for a new allocation of quota."*

Is there any update on an agreement or the impacts on the sector here?

**Dr McMahon:** Robert, it might be worth starting with Cairnryan.

**Mr Huey:** Clare, we are planning on the basis of the current throughput. In fact, the detailed one that I use is a week in September. However, until we know what comes out of the full breadth of the agreement, it is hard to know whether the current volumes will be reflective of the future ones. For planning purposes, it is the best that I can do. Mark and his team are working very closely with the port authorities. Of course, P&O is responsible not just for Larne port and the boats but for Cairnryan port. So, it is very easy to talk to one person when you are talking about concerns about all of the ports. We are talking more or less constantly with all of the port authorities about their concerns. The answer to your question is that we are aware of the concerns but, at the moment, it is difficult to plan until we know whether that might emerge. It may be that there are very few checks; it may be that we have a lot. We are driving down a middle course of a reasonable worst-case scenario, which is normally what we plan for.

**Dr McMahon:** Norman, is there anything else that you can add at this stage on the Internal Market Bill?

**Mr Fulton:** We covered this at our last session with the Committee. Obviously, we have concerns about some elements of the Bill, as we discussed. It cuts across into devolved responsibilities in, for example, marketing standards, which is a devolved matter. It cuts across mutual recognition/non-discrimination so that, effectively, devolved Administrations in GB could set marketing standards. They would, however, have to recognise, on a statutory basis, different marketing standards that might be set elsewhere. You cannot discriminate; you must recognise those standards. It is different for us. We will operate to EU standards, so we do not have that discretion around marketing standards. We cannot operate mutual recognition. The only standard that we can recognise on products coming into Northern Ireland is the EU standard. There are complex issues in all of that. Yes, Scotland and Wales may well decide to withhold legislative consent, but it would be for the UK Government to decide how they respond to that.

**Dr McMahon:** It might be better to follow up on the issue of fisheries. We will follow up on that to see whether there is anything else to report, but we do not have anything at this stage that I am aware of. We will maybe get you an update on that, if you are happy enough, Clare.

**Ms Bailey:** Yes.

I have another, hopefully quick, question. You are telling us, very clearly, that we cannot be ready for all eventualities on 1 January. On the issue of not being able to check all goods coming into ports and the potential that that has to impact on goods coming in, is there a bigger risk that goods coming in, rather than goods leaving Northern Ireland, will be affected? Is there a list of goods that might not be able to come in?

**Dr McMahon:** First, when we talk about the arrangements, a lot of the work that we have been doing on the physical and operational arrangements has been on goods coming into Northern Ireland. I am afraid to say this — let us see what the negotiations come up with — but goods going out should not be as much of an issue for us. How GB deals with goods when they come in will be an issue, but that is a different matter.

Secondly, it is important to say that some ports have been looking to expand, in a way, their designations, but the issue here is about having the ports designated to take in the things that we need them to take in. Robert can talk in a bit more detail about what the operational implications of that would be.

**Mr Huey:** That is right. As an example, Larne currently has livestock facilities for cattle, sheep and pigs; Belfast has not. Belfast wanted to use this as an opportunity to develop itself as a facility for cattle, sheep and pigs. We will do that in the full solution, but we will not do it now. Similarly, going right down through goods, horses and other animals, it will be good to have the contingency of having facilities at both ports, but we can get by without that initially.

Clare is thinking about the list of goods under prohibitions and restrictions. Those goods do not have an export health certificate or there are other reasons why they cannot be imported from a third country — from GB into the European Union. That is all I will say about that, because it is subject to negotiations. The negotiation is going on today, so I cannot really say anything more.

**Dr McMahon:** There is one thing that we do not touch on in the middle of this. I do not often feel like looking round for opportunities in all of this, because, at the minute, speaking personally, the opportunity to be senior responsible owner has brought enough challenges. The ports, as businesses, are looking at this as an opportunity as well, and, if we can get this right — it will certainly not be where we want it to be on day one — there will be great opportunities down the line for Northern Ireland. We need to think about how we maximise those. The next challenge is to meet our first challenge — day one — and get the full facilities up and running, but let us keep one eye on the future because there are opportunities in the middle of this as well.

**Mr Fulton:** I have one thing to add on the outward traffic. We talked about unfettered access, but that relates to direct movements. Indirect movements from Northern Ireland, down through the South and out through Dublin, are not covered under the unfettered access arrangements that are being put in place. We estimate — it is very difficult to get an accurate number — that about 25% of agri-food will route through Dublin. There could be a diversion of some of that traffic, depending on the nature of the controls that will apply through Dublin, and that, in itself, will depend on the free trade agreement (FTA) between the EU and the UK. Obviously, there is uncertainty there as well. There might be a bit of traffic diversion as a consequence of that.

**The Chairperson (Mr McAleer):** Before I go back to William, I want to mention, Norman, an issue that has been raised recently, and I am looking for your assessment or, if you can give it, a clarification. It is the possibility that, as a result of Brexit, farmers in the North will lose access to 60 FTAs that the EU currently has. In the South, Simon Coveney has raised the issue of farmers in the North. Do you have any assessment of the impact on farmers here in the event that an arrangement is not reached and we lose access to those 60 FTAs?

**Mr Fulton:** We have been aware of that for some considerable time. It is a particular issue, I think, in the dairy sector, because, as you know, a third of our raw milk is taken down South for processing. You then, effectively, have a product of mixed origin. It is as much a problem for the Republic of Ireland as it is for us, because the Republic of Ireland will have substantial volumes of export that is now of mixed origin, and it is not possible to segregate the raw milk within the plants.

There are possible solutions. One, of course, is to try to get access to the EU FTAs for that mixed-origin product, but that entails opening up the trade agreement that the EU has with the third country, which is not always easy to do. Some may make provision for mixed origin, and we are looking at a few other possibilities, such as accounting segregation, where, basically, if the volume of material that you are sending out under the FTA is within the volume of raw milk that you would have sourced from the Republic of Ireland, that is fine, so there is a way there. The other mechanism is that the UK is trying to replicate those FTAs through continuity arrangements and, through those, to secure a route into the same markets for mixed-origin goods. A number of possibilities are being looked at to offer a possible way through all of this.

**The Chairperson (Mr McAleer):** The challenge is that, if a deal is not reached, we could lose access to those 60 FTAs. We are really gaining only one FTA through Britain, which is with Japan, and that was already there through the EU. Have you an assessment of what percentage of our agri-food products use those 60 FTAs?

**Mr Huey:** It is very hard to get accurate information. Part of the problem is what is called the Rotterdam effect: the material may not necessarily route directly from Northern Ireland; it can go via other routes. For example, we do not necessarily know where the raw milk ends up, so it is very difficult to make an assessment. Quite a few of those rollover agreements have now been secured by the UK, but there are still more to go. Again, we are in the process of assessing where we are in all of that. The UK Government continue to work at these to try to secure as many as possible. Quite a few have been secured and are in place.

Finally, the difference between operating under the FTA and operating under World Trade Organization (WTO) rules may not be that great in some of these agreements. In many cases, the importing country will not apply an import tariff. Therefore, in practical terms, there is not a great deal of difference between having the deal and not having the deal. It is quite a complex picture.

**Mr Irwin:** I want to touch on the potato situation again. I am sure that Denis answered the question to the best of his ability, but I want to be fully aware of the situation. Denis, you said that there could be a gap. The seed potato market could probably live with a short gap. The ware potato market is big. Hundreds of fast-food outlets are supplied from the east coast of England. A gap in that market will

create a big difficulty. I have a constituent who is a big importer of potatoes and supplies the chippies, so it is a big issue for him, of course. What is Europe doing to try to address this? I presume that Europe is the issue.

**Dr McMahon:** We are, of course, working through DEFRA on this. Do you want to add anything, Robert?

**Mr Huey:** You are right, William. It is not an issue that is within our gift or the gift of the UK Government. It needs to be addressed. Effectively, it needs that third-country listing and recognition of equivalence, and there is a process to go through to get that. It is not linked to the FTA as such; it is separate.

**Mr Irwin:** I would have thought that it was no big issue, given that the import to Northern Ireland of ware potatoes creates no disadvantage for Europe, although some may, of course, then go down South.

**Dr McMahon:** It is potentially a big issue, and the Minister has written in very clear terms reflecting that. We are working very closely with DEFRA and making sure that we feed those representations through to it. If you think that additional detail might be helpful, we can follow up on that.

**Mr Irwin:** Yes. Thank you.

**The Chairperson (Mr McAleer):** I will bring in Maurice. I see his hand up on the screen. Maurice has put his hand down now *[Laughter.]* I will go to Maurice if he comes back online.

**Mr M Bradley:** Hello.

**The Chairperson (Mr McAleer):** Maurice, can you hear me?

**Mr M Bradley:** Yes. Sorry, I do not know what happened there.

Thanks for letting me in, Chair. I thank the officials for their updates this morning. I had a query regarding goods travelling to the UK through Northern Ireland, but that has been cleared up pretty well.

I am thinking ahead. The UK is in trade negotiations with America, New Zealand and Australia. Will Northern Ireland be able to avail itself of these deals, or will there be separate tariffs for imports from the rest of the UK? Is a mechanism in place to ensure that the high standards of local produce are not under threat from cheaper goods of lesser quality?

**Mr Fulton:** Obviously, if opportunities arise from those new trade agreements, one of the key things from our perspective is that Northern Ireland businesses should have full access to them. Clearly, we also have defensive interests in all of that. You made the point about food standards, and our Minister has been very clear about all of that. He would certainly like there to be no diminution at all of the existing food standards in the UK or of the standards that imports need to meet. The Trade Secretary made a statement earlier this week, re-emphasising the commitment to that. The Government will also propose an amendment to the Agriculture Bill that, in future, where new trade deals come forward, there should be an analysis of their impact, if any, on food standards. That will be a helpful addition to the Agriculture Bill. Any trade deal is always a double-edged sword. There will be opportunities, but there could be threats as well. It is about striking the appropriate balance in the deal in order to protect our interests.

**Mr M Bradley:** I want to make one more point, with your permission, Chairperson. I wanted to pick up on Robert's point about the redeployment of vets and their reallocation in, as he called it, the field. Does this reinforce the need for a veterinary school in Northern Ireland in order to ensure a sustainable supply of suitably qualified vets throughout Northern Ireland and the UK and, indeed, the Republic of Ireland?

**Mr Huey:** Officials often use the phrase, "Thank you for that question, Maurice", so, thank you for that question, Maurice. *[Laughter.]* Yes, of course it does. I have been in discussions with Queen's University and Ulster University about the possibility of a faculty commencing in Northern Ireland. It has been one of the consequences of COVID that those discussions have not progressed as both

sides would have liked, mostly because the universities have been swamped by their own COVID problems and have not been available for discussions. The discussions are reinvigorated, Maurice, and I am hopeful, having worked on and thought about it for some time, a faculty may not be that far away now. There are real, concrete discussions going on.

**Mr M Bradley:** Thank you very much, Robert.

**Mr Harvey:** With goods travelling from ports across different jurisdictions, will individual labelling be an issue? What can you tell me about that?

**Dr McMahon:** Labelling is an issue. I will hand you over to Norman again, because that is a detailed issue.

**Mr Fulton:** We have been pushing quite hard to get labelling information out to industry. Guidance relating to GB has been published but our bit is missing, and, hopefully, that will come out imminently.

There are a couple of aspects to that. In future, where there is a requirement to identify the country of origin, the label applied by food processors here has to be UK (NI). Where product is coming in from GB, the issue is that, because it is coming into the EU regulatory zone from a non-EU area, there has to be a name and address on the label for a consumer in the EU zone to contact. That address has to be located within the zone, so it has to be a Northern Ireland or an EU 27 address. That labelling issue also has to be addressed with product coming in from GB. Hopefully, we are at a point where full guidance on that will come out.

**Mr Harvey:** In the end, might that be a good thing, in that, if it is a quality product, it can be re-sourced?

**Mr Fulton:** It is a consumer information issue; it is not a food safety issue. So, we will have to look at it in that context. It is a significant issue for food processors because they will have product in stock that has the old label. They will have labelling stocks that they wish to run down. It also takes a bit of time to get new labels ordered and made available.

**Mr Harvey:** Will a cushion be available until that change can take place?

**Mr Fulton:** That is, effectively, what the ongoing discussions are about. We will take a very measured and pragmatic approach. As Robert said in relation to SPS, on this one as well, it is about working towards compliance.

**Mr Harvey:** OK. Thank you.

**The Chairperson (Mr McAleer):** That is a good point to raise, Harry. This was raised at the Committee by the NI Retail Consortium, Aodhán Connolly's group. About a month ago, it raised concerns that the deadline for creating this new label had passed and that it might not be ready for 1 January. Are you confident, Norman, that this will not be an issue and an impediment come 1 January?

**Dr McMahon:** That is the point that you were making, Norman. Go ahead.

**Mr Fulton:** It is working towards compliance. It is honest endeavour.

**The Chairperson (Mr McAleer):** The issue was raised here at the Committee meeting.

**Mr Huey:** I have been through a couple of these changes of labelling. It is normal practice for a period of grace to be given. However, until it is given, we cannot give you guarantees that it will be given. Also, be aware that this is not just big stamps on carcasses or big labels on boxes; it is labels on individual retail packs.

**Mr Harvey:** Yes, that is exactly what I mean: small packaging.

**Mr Huey:** Most processors will have significant stock.

**Mrs Barton:** I will continue on that to get my mind clear: basically, for the time being, Northern Ireland products will continue to use, "Origin EU".

**Mr Fulton:** No. From 1 January, where they have to identify the origin — that is not always the case — it will have to be, "UK (NI)".

**Mrs Barton:** It is not, "Origin EU". OK. That is fine.

**The Chairperson (Mr McAleer):** You will be glad to hear that no other members are looking to ask questions. Thank you very much for your comprehensive briefings, written and oral, and comprehensive answers to all the questions asked. We really appreciate your taking the time to come here this morning. It is very relevant and important at this juncture. Thank you very much.