



Northern Ireland
Assembly

Committee for Agriculture, Environment
and Rural Affairs

OFFICIAL REPORT (Hansard)

EU Exit and Key Priorities:
Mr Edwin Poots MLA, Minister of Agriculture,
Environment and Rural Affairs

17 December 2020

NORTHERN IRELAND ASSEMBLY

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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 John Blair
Mr Maurice Bradley
Mr Harry Harvey
Mr William Irwin
Mr Patsy McGlone

Witnesses:

Mr Poots	Minister of Agriculture, Environment and Rural Affairs
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
Ms Nicole McArthur	Department of Agriculture, Environment and Rural Affairs
Dr Denis McMahon	Department of Agriculture, Environment and Rural Affairs

The Chairperson (Mr McAleer): I welcome Minister Poots, Denis and Robert to the Committee this morning. Minister Poots, you have battled through illness in recent times, and it is good to see you out and about again, doing your duties. You did not take long to get back into place. Thank you for coming to the Committee; I really appreciate that. Also, by StarLeaf, we have Norman Fulton, Mark Livingstone and Nicole McArthur.

Minister, I know that you have to attend another meeting and will be here for an hour to brief the Committee. Maybe the other officials can stay on for additional questions. I invite Minister Poots and his officials to commence the briefing, and members will ask some questions thereafter.

Mr Poots (The Minister of Agriculture, Environment and Rural Affairs): Thank you, Chair, for the good wishes. I am glad to be here and appreciate the invitation and opportunity to share an updated position on the EU transition work followed by our key priorities for DAERA in 2021. I last spoke to the Committee in July on EU exit transition, and that is why I was keen to be here this morning. I updated the Committee on DAERA's COVID-19 response as well as preparations for the end of the EU transition period. More recently, in November, the Committee received an oral update from the permanent secretary on DAERA's preparedness for EU exit.

On the protocol, the DUP stopped Mrs May's deal on three occasions and Boris Johnson's deal last November, at which point he called an election, won an 80-seat majority and forced the deal through in January despite our opposition. Whilst we as a political party oppose the protocol, it is now in place, and it is the role of everyone in Government to convince the UK Government to ameliorate the worst excesses of it. The DUP opposed the protocol and voted against it in the House of Commons. We consistently warned the May and Johnson Governments about treading that path. Sadly, despite our votes, the Government continue to pursue arrangements for Northern Ireland that are unnecessary and, if left uncorrected, potentially damaging to the Northern Ireland economy. The arrangements flowing from the protocol are, of course, temporary; the Northern Ireland Assembly will have the opportunity to revisit the protocol and vote on it in four years' time. I remind all of those involved in the European Union specifically that, unless the arrangements have the support of unionists and nationalists in Northern Ireland, they will, ultimately, fail. On that basis, it is imperative that on-the-ground implementation does not in any way disadvantage the people of Northern Ireland or our place in the UK market.

I will start by commenting on last week's statement from the Chancellor of the Duchy of Lancaster on the agreement in principle of the EU-UK Joint Committee. Progress has been made that will help in the short term to minimise checks and processes on goods moving from GB to Northern Ireland. There has also been progress in other areas, such as state aid. However, I would have liked to see a more substantive solution. In June, I wrote to the Secretary of State for Environment, Food and Rural Affairs, George Eustice, and urged him to ensure that Northern Ireland consumers and businesses did not face higher costs or other detriment compared with people elsewhere in the UK as a result of the Northern Ireland protocol. Last week's announcement does not provide long-term mitigations. It is inevitable, therefore, that additional costs will be passed on to Northern Ireland consumers unless the UK Government come forward with further measures to address those.

A solution has not been delivered to prevent barriers to the movement of breeding animals from GB to Northern Ireland. That will decimate traditional trading practices between ourselves and GB. As such, it has serious consequences for GB sellers, GB-based livestock marts and shows, and livestock breeders throughout these islands. A solution has not been delivered for complex processing chains, where raw materials and ingredients pass back and forward between Northern Ireland and GB. I asked the UK Government, through Minister Eustice, to negotiate minimal controls for agri-foods for internal Northern Ireland consumption, such as retail consignments. Although that has not been granted permanently, we have a three-month grace period for retail consignments, including supermarkets. Although that is welcome, it is important that we continue to make representations to the UK Government so that we are not simply pushing back problems until 1 April 2021. A temporary grace period also applies to goods affected by prohibitions and restrictions, including veterinary medicines, mincemeat and meat preparation, and unprocessed meats coming from the EU to GB being returned to Northern Ireland.

It is critical in the coming weeks and months for DAERA and the Department for Environment, Food and Rural Affairs (DEFRA) to work in partnership to support businesses in Northern Ireland and GB for 1 January 2021 and to keep those preparations going in order to be fully prepared for the ending of each grace period. I understand from officials that DAERA intends to be ready for 1 January 2021 and the subsequent weeks. Clearly, we still await an outcome on trade negotiations, and we all hope that a deal can be done, but we must be prepared for all eventualities. I assure you that my officials are working hard to ensure that we are prepared for a no-deal scenario. Officials have been working to put in place contingency arrangements for Northern Ireland that will ensure that sanitary and phytosanitary (SPS) goods flow through our ports. It will also ensure food supply security while DAERA continues to finalise preparations. I am sure that officials will be happy to answer any questions that you may have on that.

A more positive outcome of the agreement was the announcement on state aid and the support that can be provided to our farmers and flexibilities in relation to fishery support. For farmers, £400 million of spending each year will be totally exempt from state aid rules, and there will be more than £15 million of flexibility for Northern Ireland's fishing industry over the next five years. DAERA's key priorities and outcomes are an important element as we move forward. The 2021-22 business plan will be a valuable tool in helping us to deliver more in line with our aim for sustainability at the heart of a living and working active landscape that is valued by everyone.

Next year will be the first year of the departmental 30-year strategy entitled "Sustainability for the Future: DAERA's plan to 2050". It deliberately coincides with our exit from the EU, reflecting the opportunities that we now have to develop new policies and approaches. Specifically, it maps a future policy journey across the food environment, agriculture and rural affairs spectrum. While looking to the

future, it is important to act now. Several targets from the current plan will extend into the 2021-22 business plan, notably maintaining international market access, delivering an agreed rural policy framework and schemes for Northern Ireland, and progressing the bovine TB strategy. An initial planning exercise has identified the following priorities: EU exit and implementation and outworkings of the Northern Ireland protocol.

We will continue to work with industry, the environment sector and rural communities to provide guidance and appropriate support to enable recovery from the impacts of COVID-19. Throughout 2020, we have supported our stakeholders with tens of millions of pounds to help them through the crisis and to aid recovery. For example, I secured £25 million from the Northern Ireland Executive to support the beef, dairy, sheep, horticulture and potato sectors. I supported our fishing and aquaculture sectors with almost £4 million of funding. I allocated £7 million through the tackling rural poverty and social isolation (TRPSI) programme to help business in our rural communities. I ensured that the environment sector received over £1.3 million in additional support. We contributed £2.3 million capital to the town centre and rural settlements revitalisation programme led by DFC. That funding is helping rural settlements with a population below 5,000 to recover from the impacts of COVID-19. We also contributed to support faith-based organisations' operations delivering much need food bank services alongside DFC, whose rules prohibited them from doing it. I allocated over £15 million to local councils to help with additional waste collection, treatment and disposal centres, at the same time as ensuring that recycling centres operated as soon as safely possible. Whilst not strictly COVID related, I was able to launch a number of pilot projects which I hope will assist small business through this very difficult time.

My Department has specific responsibilities in relation to the Programme for Government for 2021. It is my intention that we play a bigger role in future Programme for Governments, recognising the importance of climate change, moving to a low-carbon economy and protecting and enhancing the environment. DAERA's agenda is everyone's agenda and should be reflected across all parts of government. Within that, green growth is a major priority. As I have stated previously, it is at the heart of our approach to tackling climate change, along with the wider environment strategy and frameworks. In my statement to the Assembly on 23 June 2020, I outlined the concept of the green growth approach to transform and grow the Northern Ireland economy whilst protecting our natural assets and reducing our carbon emissions. I know that you are familiar with what we are trying to achieve in this space.

The main thing that I would like you to note is my intention to produce a green growth strategy by March 2021. It will build on the current consultation on Northern Ireland's first ever climate change Bill. That is a priority for me and my Department. It is my intention for an Executive climate change Bill to achieve its legislative passage in this mandate. I welcome the recommendations presented by the Climate Change Committee in 'The Sixth Carbon Budget'. I believe that it presents an evidence-based and pragmatic approach to reduction in carbon emissions. I am pleased to note that the important role of agriculture in Northern Ireland has been recognised. The Climate Change Committee has recognised that for Northern Ireland to aim for net zero would be damaging to the economy and only lead to our excellent food production being moved elsewhere. Success will require partnership working with our Departments, local government and key stakeholders from across the business and voluntary sectors. The outcome will be a framework of programmes that will help to deliver a resilient recovery through a greener, low-carbon and circular economy for Northern Ireland. Our first foundation programme under green growth, Forests for Our Future, aims to plant 18 million trees in 10 years. I am pleased to report that a lot of work is under way. To date, 574,000 trees have been planted. In support of further planting, I am putting in place a £4 million small woodland grant scheme to help landowners to plant their own native woodlands. Furthermore, there has been some excellent partnership working with a range of public sector organisations such as Belfast City Council and Northern Ireland Water, each of which has announced that it will plant one million trees.

In the statement that I issued to the Assembly in November regarding future agriculture policy, I pointed out that, as we leave the EU for the first time in 40 years, we have a unique opportunity to customise agriculture policies and support schemes. Our policies do not have to be constrained by the EU CAP construct, and we need to move to something that addresses the future needs of Northern Ireland. Our work will address four key outcomes: increased productivity, environmental sustainability, improved resilience, and an integrated, efficient, sustainable, competitive and responsive food supply chain. It is crucial that we develop new policies and support schemes to provide opportunities for all our farmers, with no farmer left behind. We need to help farmers to develop their business, no matter where they farm, to become more efficient, to maximise the sustainable returns that they can achieve, and to develop the assets at their disposal, especially environmental assets, by enhancing them as

sustainable profit centres. It is my hope that, in this way, we can create a win-win between environmental improvements and economic development.

My officials will review our approach to the current schemes, implementing improvements and simplifications in keeping with the longer-term direction of travel. This will be taken forward under the Agriculture Act 2020. Work is already under way. In September, I announced that I would be removing the greening requirements with effect from 1 January 2021. The reason for this was that these requirements have not been effective in delivering environmental benefits, yet they are associated with an intense administrative burden for both farmers and the Department. I also asked officials to review the application of the cross-compliance penalties as soon as possible. Our aim is to ensure that penalties are proportionate and reflect the seriousness of non-compliance that has been identified. Officials will continue to work on simplifications and improvements on the rules governing the direct payment scheme for the 2020-21 scheme year, as detailed in my November briefing. In undertaking this work, I want officials to ensure food security through effective marketing of Northern Ireland products, funding of sustainable land management practices and providing innovative ways of meeting the changes that climate change presents to our long-term food supply.

The work will continue in 2021. Ultimately, I want to ensure that we take full advantage of the opportunities presented to us post EU exit and to grow a sustainable agriculture industry in which all farmers are supported on an equitable basis. Our environment strategy is inextricably linked to this. It is our commitment that protection and improvement of the environment continues. We have the freedom but also the responsibility to develop new approaches. We have to decide how to report, monitor and set targets. We will also have to consider coordinated and joined-up approaches across the UK. To that end, I published a discussion document last week, seeking views on a number of specific elements of the UK Government's Environment Bill, including environmental principles and the office of environmental protection, that is making its way through Parliament. Environmental principles have been at the core of international law for many decades. I want to ensure that Northern Ireland continues to benefit from the application of those important principles following the transition period. An environment strategy will set the context in which we do this through a long-term, overarching framework. It is anticipated that the Environment Bill will receive Royal Assent in early 2021. The implementation of this Bill, along with the clean air strategy, the ammonia strategy and a proposed plastic reduction plan, will be progressed by officials throughout 2021.

While we are planning for the future, we have also been busy this year on the environmental agenda. In June, I launched a consultation on the 'Future Recycling and Separate Collection of Waste of a Household Nature in Northern Ireland'. In November, I launched a consultation on Northern Ireland's first ever clean air strategy. I have also announced that the Northern Ireland Executive approved a plan to reduce unnecessary plastic within the Northern Ireland Civil Service (NICS) government estate. In the meantime, DAERA officials will, of course, continue to conduct appropriate environmental regulatory checks, monitoring and enforcement. Once I approve the 2021-22 business plan — it is currently scheduled for publication by 31 March 2021 — I will ensure that officials have it tabled on a forward work plan for consideration at this Committee.

I hope that that was a helpful overview of the Department's key priorities for 2021 and how they will influence the 2021-22 business planning processes. Thank you, Chair.

The Chairperson (Mr McAleer): Thank you for that, Minister. I want to just ask you about our preparedness, particularly the ports' preparedness. How are the contingency arrangements at the ports working? Will we have the full suite of structures there to ensure that the required checks prevent any east-west blockages from 1 January?

Mr Poots: I will pass anything that is to do with ports over to Denis McMahon.

Dr Denis McMahon (Department of Agriculture, Environment and Rural Affairs): Thank you, Minister. Building on the previous updates that we have given to the Committee, we have preparations in place for three types of checks. The first check that is required is 100% documentary. That will be done remotely by officials, working in Northern Ireland, who will clear the documentary checks on the export health certificates.

The second level of checks will be identity checks. That will be a reality check just to ensure that the paperwork that we have been given matches the goods. It will be a quick check. Robert will be happy to talk about any details of that if necessary. The idea is that we will do that by getting officials — people working on behalf of the Department in GB ports — to actually check the seals of lorries. In other

words, you have the paperwork, the lorry is sealed and you check the seal to see whether it matches. That will avoid having to open it up.

The third level of checks are physical checks. Those will be carried out on a percentage of the freight vehicles that come across. Again, Robert will be happy to talk about any further details that you want on that. The key point there is about having enough physical structures in place to be able to do those physical checks. We will have those in place. Again, Mark Livingstone, who is here, will be happy to talk through any of the detail around that. Essentially, we will have the basic physical structures in place to be able to do that.

I suppose that two issues come out of that. One is that, in addition to all the elements of that, we will need to have the IT working. The IT at this side is working. Expectations are good that our IT will be in place. We will need to have export health certificates or appropriate documentation coming from GB. It will change significantly for retail business. The other piece is having the people in place and having them trained up. The challenge now will be to get all those elements working together, because, although I talked about the three checks, they all happen together: documentary checks, ID checks, and then physical checks.

I suppose that, now, the attention has turned to ensuring that all those systems work and that they all come together into one system to avoid any delays as far as we possibly can and to reduce friction on trade and costs for businesses and consumers. Robert, have I missed anything there that you would want to highlight?

Mr Robert Huey (Department of Agriculture, Environment and Rural Affairs): No, that was comprehensive. I would just re-emphasise with regard to the facilities for physical checks that the contingency arrangements will be in place. There has been a heroic job by Mark Livingstone and his team and, indeed, the contractors to get there on time. We have had weekly visits from the Commission to ensure that what we build meets the required standard. While I designate them, they do need the approval of the EU. It has been making sure that what we build will meet its requirements. I am grateful to the EU for that help.

The Chairperson (Mr McAleer): Thank you very much. You mentioned IT. Are you confident that the export health certificates online (EHCO) system across the water will integrate with the TRACES NT system to facilitate that?

Dr McMahon: Obviously, we do not have direct control over that element of it. I suppose that we focused very much on the element of it that applies to us, which is that we need to have the certification coming across on TRACES NT, which is the EU's importing system. We need, then, to have our own system in place, which is CHIP. That will allow us then to do whatever checks are necessary. It actually just makes it more efficient. We could access TRACES directly, but it makes it more efficient for us to do the documentary checks. There is no doubt that EHCO will be up and running. However, whether it is up and running with all the functionality that would be needed to help us to make those checks more efficient is another question. We are working closely with DEFRA on that.

To answer your question in simple terms, we expect the basic infrastructure to be in place around IT, but there are elements of it that we cannot control, particularly those that relate to EHCO. We will just have to wait and see how much of the functionality is there. However, one way or the other, we expect to be able to do documentary checks, ID checks and physical checks.

The Chairperson (Mr McAleer): You mentioned the word "CHIP": it got me thinking about chips. I refer to the Cabinet protocol document, which is provided to us in our packs. Paragraph 35 refers to prohibitions on certain types of chilled meats and states that, to avoid disruption, there will be an immediate solution where these meats can continue to move between Great Britain and here. We have been lobbied quite heavily by people involved in the fast-food sector and the potato sector. Around 600,000 tons of quality frying potatoes are imported here each year, which is vital for the sustainability and quality of our chips for various food outlets, but they do not seem to be included as part of this arrangement. Will you give us an update on what discussions there have been with the industry to try to continue the ability to import from places like East Anglia where a lot of the potatoes come from?

Mr Poots: That has been a challenging issue. You can import processed potatoes from England. As I understand it, if potatoes have been washed and peeled, they can be imported. It is related to

potatoes with skins on and potential soil contamination. I think that includes washed potatoes with the skins on because there could still be soil contamination. So, it is a new and unnecessary rule that will prevent potatoes that normally go into the fast-food chain, as you rightly point out, going into the fast-food chain.

The current alternative is that people import them from places like Holland or that they come through in a processed form. We have fought and argued that one up and down. I spoke to George Eustice yesterday just after 5.00 pm on that issue and a number of other issues, including pet travel. Whilst we have been fighting and fighting to mitigate the damaging aspects of the protocol, and we have had reasonable success, there are outstanding areas, and that is one of them.

The Chairperson (Mr McAleer): It is a piece of work that you are continuing to work on.

Mr Poots: Yes. It was highlighted to the Secretary of State no later than last night.

Mr Irwin: Minister, thank you for making the effort to be here today. You are very welcome back. Some of the decisions seem bizarre to me, but can you explain the legal outworking of the withdrawal agreement and the protocol agreed by the UK and the EU? Does it not seem that the EU is showing very little flexibility around those major issues? There will be a cost to the Northern Ireland consumer if this continues and goes ahead.

On the potatoes from East Anglia, there is one importer in my constituency, and I have been told that there is another one in the Ballymena area, who supplies a lot of the fast-food chains, but he also supplies a lot of small shops. They import 10 kilo bags of potatoes, and about 45% of the imports go to small retailers and, indeed, some of the larger retailers. So, there has to be an impact. That particular guy in my constituency imports 300 tons a week. That is a big gap. So, there will be implications if the EU continues to be inflexible.

Mr Poots: In my opening statement, I indicated my position and my party's position on it. Throughout all this, we work with the reality that this has been passed through Westminster and it is law. There are elements of it that we do not like but recognise that it is passed in law, and, therefore, it will be imposed on us one way or the other. We have sought to mitigate as much as possible. For example, over the next number of months, self-certification in the depots in GB will take place on the food supply that is coming in. That self-certification will be associated with a seal. The self-certified document will go to the lorry driver. That lorry driver will pass that to someone at the port in Cairnryan. Whilst the seal is in place, that will be acceptable. That is a significant achievement. At one stage, people were talking about export health certificates being required for individual pallets on that load. At one stage, we were looking at thousands of pounds being added to every lorryload of goods coming to Northern Ireland, which would ultimately have been passed to consumers. That is the last thing that anybody wanted; it would have been entirely unnecessary. We have avoided that for the time being, and we want to ensure that that continues to be the case, once the transition period has passed.

The potato issue is slightly more tricky, in that there are issues about potato diseases, like brown rot, eelworm and so forth. The European Union has rules about goods that come into the union and plants that have the potential to bring disease. GB is no longer a member of the European Union. We now have this status whereby we are in the EU for SPS purposes for these products. For these food products, we essentially remain a part of the European Union. The consequence of that is that potatoes with their skins on are treated differently, because they have the potential to introduce plant disease to Northern Ireland. The risk of that is no greater today, when you can do it, than it will be next month, but, nonetheless, that is the situation. My officials have argued this extensively. We continue to make the case, because that flow of trade is beneficial. As I said, I indicated to George Eustice that we do not desire to have to import potatoes from Holland. It would involve extra haulage and food miles. It is not our desire to do that, but that is what will end up happening if we cannot get this resolved to our satisfaction. Currently, it is not resolved to our satisfaction.

Mrs Barton: Minister, it is good to see you back. All the best for your continued recovery.

Mr Poots: Thanks, Rosemary.

Mrs Barton: The role of the Joint Committee is critical in determining which goods are entering Northern Ireland and especially those that are labelled "at risk" of entering the EU single market. What process will the Joint Committee use to determine what goods are at risk?

Mr Poots: I am disappointed that the Joint Committee has not achieved more. A lot of work has been done by Robert and his team, working directly with the vets, to reduce the impact. Probably, more has been achieved there than through the Joint Committee.

These at-risk goods are wide-ranging. We need to recognise, for example, that £0.25 billion worth of red meat is imported to Northern Ireland each year, and much of it is processed in your constituency, in the Dungannon area; some of it in Foyle. That largely goes back to Great Britain. It secures jobs in Northern Ireland, viability of businesses and opportunity. There is another significant element of white meat products, both chicken and pork, which is the same. Significant processing takes place in Cookstown and through Moy Park of material that is produced in GB and processed here. That demonstrates how advanced our processing capacity is; it is viable to import that meat to here and to send it back to GB. We have fought hard to ensure that these businesses are not detrimentally impacted as a consequence.

Robert, will you give us a taste of the work that has been done on that side of things?

Mr Huey: The flexibilities that the Minister refers to are those that were already within EU law but, perhaps, maximising their impact. The ability to use remote checks by computer, or pre-notification, is a flexibility that is there for COVID, and we will make use of it. We have the ability to use a seal check instead of opening the back door of every container. That flexibility is in the legislation, and we will make use of it. We have the ability to alter the frequency of the physical checks through a risk assessment, and that is something that we will make full use of for supermarket foods.

On the issue of the products that still cannot move — so-called prohibitions and restrictions — an awful lot of that lies in the details on the export health certificates and the phytosanitary certificates. Those are the same certificates that we were fighting over this time last year when we were thinking about the land border and having to produce 1.9 million certificates — some of you might recall that number — to move the same material from Northern Ireland to the Republic. Those are the same certificates that GB is now having to use to move products from GB to Northern Ireland, as part of the EU SPS regulatory zone. The certificates are difficult, and that is where the problems with breeding animals are emerging. Those are the same requirements that we had when we were trying to sign the certificates in Northern Ireland for them to go to the Republic of Ireland.

What the UK is doing is reciprocating those same certificates with the EU. Therefore, the requirements for a third country — GB — to export into the EU will be the same as those for the EU to export into GB. Chief Veterinary Officers (CVOs) across Europe are, it is fair to say, starting to look at those conditions, which they have never looked at before, in the model certificates. I, along with the Chief Plant Health Officer, John Joe O'Boyle, have been invited to an EU meeting of CVOs this afternoon. I think that that will be the beginning of a conversation about the requirements in those certificates and how they can be ameliorated in order to make trade easier in both directions. That is normal between trading blocs. Discussions on export health certificates go on all the time. As you know, they are currently going on between the UK and Hong Kong, as well as between ourselves and the US. Veterinary-competent authorities and plant-health-competent authorities continually talk to trading partners in order to look at the detail of the import/export requirements. The fact that the UK is reciprocating those same certificates with the EU will speed up and help those conversations, because, quite frankly, there is something in it for everybody. Until now, those conditions have been very much held up in the negotiating process. They have been fed into the negotiation process, but, as the Minister said, they have been addressed relatively unsuccessfully through the specialist committee and the Joint Committee. As the Minister indicated, the greater chance for success in finding a way through some of those issues is through discussions at a technical level, but that will take time.

Our difficulty is how we get through that period until we have a more sensible set of certificates that more reflects the actual risk; at the moment, there is just a blanket approach. We need to start picking away at those requirements in a risk-based way in order to ensure that sensible controls are in place. What I am telling my staff is that I want sensitive, pragmatic and sensible enforcement of the regulations, but, at the same time, I and my staff must keep the law, and we are subject to the EU law that relates to those areas.

Mrs Barton: If you cannot reach agreement on at-risk goods and there is an arbitration panel, how will that work?

Mr Huey: Until there is an agreement — an agreed cert — that allows those animals or other products to move, they will have to be moved under the conditions laid down in the certificates, agreements and

legislation that backs all that up. Pets are a good example: on a risk basis for either rabies or tapeworm, is there a risk argument for any controls on such animals moving around these islands? There is no risk basis for that, but it is in the legislation that it has to happen, so it has to happen, otherwise I will be breaking the law. It is with great regret that I have to enforce what I have to enforce. We are doing our best to be sensitive, sensible and pragmatic, but, at the same time, the law is the law.

Mrs Barton: I have one question on tariffs. Paragraph 27 of the Command Paper states:

"the Government will make full use of the provisions in the Protocol giving us the powers to waive and/or reimburse tariffs on goods moving from Great Britain to Northern Ireland, even where they are classified as 'at risk' of entering the EU market."

How will the UK Government administer that?

Mr Poots: With goods that go to retail, clearly that is not an issue. For goods that come in for further processing here and have the potential to go to the EU, such as the beef that I referred to, that will be challenging, because 90% of that beef went back to GB and 10% went elsewhere. You can take all your steak cuts and prime cuts out of it and end up with 5% of mince, which ends up in the EU. Can we get to a situation where the tariff that we apply is the tariff of the quantity that ends up in the EU as opposed to the tariff being applied to the entire consignment that comes from GB to Northern Ireland and then we have to claim that back? For example, if you have a tariff of 40% and you have a process in which some of those goods, such as mince, may end up being frozen — mince may be frozen for a year or 18 months — you would be laying out that 40% on the carcass for 5% of the lower value of it. You can see where I am going: the value of the whole process becomes negligible and, consequently, people will not want to do it. By and large, we will be seeking to ensure that the tariff is not applied, but, as Robert said, there will be laws on various issues, and, in the event of a no-deal Brexit, which is how things are at the minute, those will become issues.

Mr McGuigan: Chair, I am conscious that we are having a discussion on EU exit. If there is time, I would like to come back in on some of the other points that the Minister raised on climate legislation and COVID support.

Minister, it is good to see you back after your short stay in hospital, and I genuinely wish you well in your recovery.

Mr Poots: Thank you.

Mr McGuigan: On a political note, it will not be lost on people that you are the second DUP Minister in two days who has come to a Committee to lay out the disaster of Brexit and its implications for businesses, consumers, the economy, communities and individuals in the North. That is unfortunate, but we are where we are.

Some of the points that I wanted to raise and their impacts have already been identified by other members. You talked about the grace period for some issues that have not been agreed and about potentially kicking the can down the line. Is it realistic, given what we have seen, that we will find agreement on those issues in the time frame? We are talking about three months for SPS checks, six months for chilled meat and 12 months for medicines. Is it realistic that we will find agreement on the issues that have been deferred or will we be looking at the same uncertainty and chaos that we are now looking at when those periods reach their conclusion?

Secondly, and briefly, we have talked a lot about officials, checks and IT systems. Can you give a bit of clarity on the anticipated role of the EU officials at the ports now that there has been agreement from both sides on that?

Mr Poots: Some might say that it is the disaster of Brexit; others will clearly point to the disaster of the protocol, which many parties called for, failing to recognise that over 50% of the trading that we do is with GB, and trade both ways will be significantly damaged as a consequence of the protocol. Nonetheless, we can have that debate again. I am happy to do so.

Who knows what will happen with the time frames. Really good work has been done over the last two or three months in a non-political field, and I believe that, if we take the politics out of it and allow the people who are doing the practical side of it, which is largely the vets but there are others, to get on

with that, there is an opportunity for common sense and rationale to win the day. It has won the day on a number of issues, and we have bought ourselves a bit of time for those things to be discussed.

Ultimately, the question for the EU practitioners is this: where is the threat to the single market? Where is the threat to the single market from the food that is going into your Asdas, your Sainsbury's stores, your Eurospars and Henderson retailers and your SuperValus? There is not one; there just is not. So, why are you going to impose restrictions, which, as a consequence, will add thousands of pounds to every lorryload of food that comes to Northern Ireland? People who live in Strabane, Newry, Lisburn and Portadown have some of the lowest disposable incomes anywhere in the United Kingdom and some are being driven to use food banks because they are already struggling to meet the cost of food. Those people will be affected further as a consequence of the application of rules that are entirely unnecessary to protect the single market. That is the argument here, and it is a clear, cogent and consistent one. Does it impact on the single market? If it does not, why do you want to impose this? Taking it away from all of the political arguments about Brexit and moving it to a discussion amongst professionals will probably deliver more for us.

Mr Huey: On the point about EU inspectors, you have to look at it from the perspective of the EU. The UK and Northern Ireland are leaving the EU and are becoming a third country on 31 December at 11.00 pm. Some member states are really concerned that the Northern Ireland Chief Veterinary Officer will not implement the SPS official controls at the points of entry correctly. The Commission is receiving concerns from CVOs across Europe that the UK will not do what it has signed up to do, namely implement Northern Ireland protocol SPS checks, and that is why they are coming to watch me. It is not dual control, and they are not coming to inspect; they are coming to watch and report to the Commission so that it can reassure other member states that I am doing my job properly. My attitude to that will be to welcome them, make them a cup of tea and make them feel part of the team. If I can convince them quite quickly that we are doing the job as they would wish it to be done, the arrangement will not last very long. That is what it is about: trying to reassure the member states. As far as they are concerned, they have handed over control of their external borders to a third country for the first time ever. They are concerned about that and want assurance that the third country carries out in good faith the controls that they have asked for.

Those are the two horses that I am trying to ride at the moment; I want to be sensible, flexible and pragmatic, but I also need to obey the law, otherwise they will take action, against me in particular.

Mr McGuigan: I am pretty sure that the EU will come to trust you, Robert, but it is easy to understand why they have a lack of trust in the British Government.

Mr Blair: It is good to see you back, Minister, and, like others, I wish you well and good health.

The processes and procedures around EU exit and the food supply chain in agriculture and agri-food are still evolving and could be influenced by events in the coming hours and days. We have touched on some of them today in relation to the food supply chain and the supply of potatoes to Northern Ireland. On that specifically — I have another question on animal welfare to follow — are processes in place to keep people informed over the Christmas break? People who operate potato distribution centres in my constituency are very concerned about the pending deadline. They bring in seed potatoes for chipping from Scotland and England. I am mindful that we are about to enter a holiday period and some of those people will be worried. Are there mechanisms to keep people informed over the Christmas break?

Mr Poots: Considerable efforts have been made to inform businesses in particular. I will ask Denis to update you on what has been going on.

Dr McMahon: We have had a series of webinars. One of the challenges in the midst of a negotiation, which we are still in, has been keeping everything up to date. We have always taken the view — as we have done at the Committee as well — that we will just tell it like it is. When we do not know something, we have just said that. We have had three workshops now, which were attended by roughly 1,200 people. We opened them up to everybody and encouraged everybody to come along. We put them on our website afterwards so that people can see what we are saying.

Over the coming period, as I have said previously, we will be operating our major emergency response plan, which is really about making sure that our communications are working in what is a fast-moving situation. One of the consequences of that is that we will have morning meetings — we

call them "Gold command meetings" — every day. They will have been running this morning as well. At the moment, we are running them six days a week.

There are two things that we are trying to do. We are giving out the information as it comes out from the negotiations or across from DEFRA and we are putting together a question-and-answer briefing. Every time a business asks us a question, whatever it is about, no matter how big or small, we put that into a question-and-answer format and put it on our website so that we can tailor it as far as we can.

Just so that nobody is in any doubt, at the first briefing, we came to the Committee and said that we were at red/amber. We came when we said that it was red. We have improved, based on the hard work that people have done. However, as you say, John, there are outstanding issues. The main thing now is to make sure that we communicate. We need to make sure that all the parts work together and that businesses are aware. We may not be able to solve the problems for some of those businesses if they are outside our control, but we will tell them exactly what we know.

Mr Blair: Thanks for that. In addition to that, concerns have been raised about the handling and holding of animals and the processes that will be developed in the coming weeks. There was some publicity recently, for example, about sheep and lambs being held in Scotland. Do we know now that processes are in place and that things will be secure and safe come the deadline?

Mr Poots: Robert will pick up on that, Chair.

Mr Huey: The numbers of livestock consignments that are coming into Northern Ireland through Larne and Belfast amount to two or three consignments a day of all animals. Livestock can come in only through Larne. We are hoping to extend the existing facilities that we have in place. Those will not be in place, but I am confident that we will have the facilities to handle the animals safely. Otherwise, quite frankly, we would not be opening them.

With all the complexities of certificates and tariffs, who knows where future supply lines are going when it comes to live animals? At the moment, I suspect that no animals for breeding cattle to keep livestock will be coming into Northern Ireland because of the certificate, so it could be even fewer than two or three consignments a day. There will still be the horses and others, and we are prepared for those. Of all the things that I am worried about, the welfare of the animals is not one. I am confident that that is looked after.

The Chairperson (Mr McAleer): I am just thinking about the welfare of animals in Scotland, such as ewes. They are on farms over there and, obviously, farmers will want them off the farm.

Mr Huey: That would be a matter for my colleagues in local authorities and the Animal and Plant Health Agency (APHA) in GB. They are aware of it. I can assure you that the Scottish CVO is very aware of those issues.

Mr Blair: There has been some publicity in what appears to be positive movement on the resolution of fishing issues and the landing of catch at Northern Ireland ports. What processes have been put in place for the landing of catches and how they can be exported? If that information is not available today, can the Committee be briefed or sent the information?

Dr McMahon: We are looking at the statement very carefully and checking the legal position. We will be advising the Minister in the very near future on how that will work. Certainly, when officials have clarity in what is a very fast-moving situation, they will be happy to come back and brief the Committee. I am sorry, but that is just the nature of it at this point in the year and the fact that the statement came out when it did. It has given us food for thought.

Mr Blair: I assume that the sector will be informed as well as soon as things are clear.

Dr McMahon: Absolutely.

Ms Bailey: Chair, can you hear me?

The Chairperson (Mr McAleer): Yes, I can hear you.

Ms Bailey: Thank you. Welcome back, Minister. It is good to see you back so quickly, and I hope that you have a speedy recovery.

We are 14 days away from the end of the transition period, and still the UK Government cannot sign off on the Prime Minister's promise of an oven-ready deal. We all face so many uncertainties and unknowns, as you are well aware. We now hear that the UK Government will give supermarkets a grace period of three months for export certificates and six months for the easing of movements, particularly of chilled goods. Do you know whether the grace period will apply to all traders, or is it solely for supermarkets?

Mr Poots: It is for wider retailers of food. It is a UK decision, but it will apply to around 14 or 15 companies, not three.

Ms Bailey: It is not exclusively for supermarkets.

Mr Poots: It will be beyond supermarkets. It will cover convenience stores as well.

Ms Bailey: OK. Are the terms "trusted trader" and "authorised trader", as used in the Command Paper, the same thing?

Mr Poots: I think so.

Mr Huey: A trusted trader is a carry-over term from a scheme that the UK proposed to the EU. The term has been carried over into the language of the UK unilateral statement. However, it is for supermarket goods. There is no dictionary definition of a supermarket, and we are defining it as widely as retail food, as the Minister said, to try to catch all the businesses. The responsibility for putting the list together lies with DEFRA, and it is talking to us extensively about that. It is hoped that the list will be published today or tomorrow.

Ms Bailey: The Command Paper mentions that DAERA will undertake a rapid identifications exercise by the end of 2020. Can you give an update of where the Department is on that exercise?

Dr McMahon: Is this to identify businesses?

Mr Huey: The Department is well progressed because that is the process of feeding in suppliers and others to DEFRA so that it has a full list, and decisions can be made about who is on the list and who is not. Obviously, that will be a very difficult decision.

Dr McMahon: As the Minister said, that will be a decision for the UK Government.

Ms Bailey: Thank you. Can you give some detail on what environmental risks we will be facing or if any have been identified? There will be no Office for Environmental Protection (OEP) established or operational until July. Do you have any general comments about other aspects of the Environment Bill?

Mr Poots: The Department took steps to ensure that environmental protection continues in advance of the Office for Environmental Protection being fully operational. I am concerned about the environmental risk caused by the protocol and the shipment of waste. Quite an amount of waste is imported to Northern Ireland from GB. It is further processed and sent for recycling, and there are issues around that and around waste that goes from Northern Ireland to GB. We are still having discussions on all those issues.

Ms Bailey: On state aid, environmental deregulation could constitute an unfair advantage to Northern Ireland manufacturers. Do you feel the same? What risks or contingency plans have been identified on that?

Mr Poots: First, there are no plans for any environmental deregulation. To deregulate a matter of months before the OEP kicks in would not stand up to logic, particularly given the current mode of direction. We remain part of a single market, so the goods that are to be produced for the single market will have the same standards applied to them. I do not believe that there is any risk of environmental deregulation.

Ms Bailey: Minister, I note from DAERA's website that, under the 2020 habitats amendment regulations that have been published, DAERA's natural resource policy division will now decide:

"imperative reasons of overriding public interest".

Can I have a few details on why that move has been made?

Mr Poots: We have the natural environment division in the Northern Ireland Environment Agency (NIEA), which probably has the greatest expertise anywhere in Northern Ireland in dealing with these issues. When there are matters of public interest, the NIEA is the organisation that is best placed to respond.

Ms Bailey: Does DAERA now have the right to amend the existing special areas of conservation (SACs) and special protection areas (SPAs)?

Dr McMahon: I will need to follow up on that. To make a more general statement, you will know, because the Committee has been working on it, that we have put through a whole range of environmental legislation. Our approach has been to have a working rule book on day one. We have not been seeking to make substantive policy changes until they are necessary and until we get the full governance arrangements in place through OEP. Obviously, we want to make sure that we have the powers in place to be able to do what is necessary from an environmental protection point of view. I will look into that specific issue to see whether there is a particular concern, but the general principle is that we are maintaining the working legislative rule book as it was.

Mr Poots: There is no prospect of our starting to undo SPAs, SCAs and so forth. Those are courses of work that have been done over a long time. They relate to areas that have been recognised because of their special characteristics. Just because you could do something does not mean that you will, and there is no desire whatsoever to do that.

The Chairperson (Mr McAleer): Next is Patsy McGlone. He has his hand up over the video, but we cannot hear him, so we will move to Harry Harvey and come back to Patsy.

Mr Harvey: Thank you very much, Chair.

Mr McGlone: I can hear you now. The camera was veering away off, and I did not know what was happening.

The Chairperson (Mr McAleer): Go for it.

Mr McGlone: On a personal level, I give all my best wishes to Edwin. I am delighted to see him back in harness again and at the helm. Best wishes to you, Edwin, and to your family for Christmas. Hopefully, you will have a very good one.

I will move on to EU issues. At a number of levels, farmers are expressing nervousness to me that there may be a shortfall to the Department as a consequence of Brexit. They are concerned about any shortfall in funding that may lead to implications for their basic payments further down the line. I am interested to hear from the Minister about what reassurances have been given on that.

I attended a meeting last night, and a number of councillors who were at the meeting are part of local action groups (LAGs). Concern is being expressed at that level about any potential implications for rural development funds. That pillar of EU development funds has contributed very substantially to businesses in our rural areas. John touched on that issue earlier. Has that moved?

I also want to ask about year-old sheep and the ability to move them across from GB. One farmer has been in touch with me and his investment in stock amounts to over £700,000. He is very concerned about his ability to move that stock over unhindered from GB.

This question is for Robert and has been raised with me separately. How is vet recruitment moving along? Can I get an update on that?

This question may be for later in the meeting. It is not EU-related, but I will flag it up now. What support is being given to the fishermen in Lough Neagh? Minister, I know that you have been doing some work on that over the last while. Thank you very much. Those are my questions.

Mr Poots: OK. The first question was about replacement EU funding. The single farm payment has been replaced in full, so there is no issue for farmers there. I will bring Norman in to explain, but we are in dispute with the UK Government over £34 million. Scotland and Wales are also in dispute, and the English regions are impacted by it. Norman will explain the background to it. It was money that had not been spent but that was intended to be spent. Therein lies the problem and, in my opinion, the Treasury is being a wee bit tricky and a wee bit clever by half about it. Norman, can you come in there?

Mr Norman Fulton (Department of Agriculture, Environment and Rural Affairs): Yes. Thank you, Minister. As the Minister said, it is a technical issue. The Treasury is taking a particular approach to it. We have argued that the commitment here was a full replacement of all EU funds from 2020. The approach that has been taken by the Treasury is to net off all the remaining EU funds that will come to Northern Ireland and other parts of the UK through the rural development programmes until their completion in 2023.

About £34 million is still to come to us through the pillar 2 measures until their completion. That amount has been netted off the overall headline figure for replacement funding for agricultural and environmental rural development. That is where the figure of £34 million comes from. We argue that, had we remained in the EU, there would have been a fresh allocation from the 2021-27 EU budget and, therefore, it is not appropriate for that mechanism to be in place. That is the issue. We continue to press our case and the Minister and the other devolved Administration (DA) Ministers have been doing that vigorously with their counterparts in Whitehall.

Mr Poots: Thank you for that.

Mr McGlone: To be clear, is the position that we are £34 million down for rural development over the period 2021-27? Have I understood that correctly?

Mr Fulton: We believe that we are £34 million down from what we would have expected. What I would say is that we continue to run out the current rural development programme. It runs to completion in 2023. Therefore, on the issue that you raised about the LAGs, those plans will continue to completion. There is no question about that or their ability to run out the current rural development programme.

Mr McGlone: That was not their concern, Norman. Their concern was looking further down the line at any potential jeopardy that there may be for the continuation and roll-out of a programme, which is, if not vital then very important, in the scheme of things for the economic and social development of rural areas.

Mr Fulton: The current programme will run to completion. What comes beyond that is subject to future rural policy. The Committee had a briefing on that a number of weeks ago. That is what will come after the completion of the rural development programme.

Mr McGlone: At this point, is the £34 million in jeopardy?

Mr Fulton: Basically, we would argue that that should have been part of the settlement. It would allow us, effectively, to begin to explore new options and measures to take over from the outgoing rural development programme.

Mr McGlone: Over what period is that projected loss of money? Is it from 2023-27?

Mr Fulton: No. It is effective for the remaining period of this Parliament. It is for the 2021-22 until 2023-24 financial years; it is for three financial years and is £14 million, £17 million and £3 million.

Mr McGlone: Thank you.

The Chairperson (Mr McAleer): Minister, do you want to pick up on the Lough Neagh question?

Mr Poots: Yes. We covered the sheep issue. It is an ongoing issue and we continue to work on it.

I have been pressing to get the paper on Lough Neagh, and I hope to get it.

Dr McMahon: A paper is due with the Minister today. I will have a quick look over it. The Minister has been pushing to get the scheme finalised and has had some queries. We will come back to him today with that.

The Chairperson (Mr McAleer): What is the time frame? I pre-empted you there, Patsy.

Dr McMahon: In fairness to the Minister, as officials, we have to get the paper to him. He will need to consider that and, as you have probably worked out, the Minister will make up his own mind based on the advice that he gets. We will need to give him the space for that.

Mr Poots: It has transpired to be a bit more complex than initially thought, but we will get there in the not-too-distant future.

Mr McGlone: I would appreciate that, Edwin, because a lot of people did not have an income from fishing over that season and stocked fish in anticipation that the scheme would come in relatively quickly. We are now in the mouth of Christmas and it has still not appeared. I know that there are other issues.

Mr Poots: A bit of good news on that is that the EU/Japan trade deal will be beneficial because the Japanese are very fond of eating eels. That trade deal will help that business.

Mr McGlone: Good. Thanks for that. Sorry, Chair, there was also the issue of vet recruitment.

Mr Poots: Robert, vet recruitment?

Mr Huey: Within my group, as I sit here today, I am 30 vets below my headcount. There are eight coming from the last exercise. That will bring my deficiency down to 22, and we have started another recruitment exercise. It gives me the chance to say how proud I am of all my veterinary staff and, in fact, all staff on how hard they are working at the moment. My field resource is lower than it has ever been; it is down to 31 to deliver all the animal health and welfare in the field, along with the veterinary public health part. There was a question within my senior team about what we are all doing over Christmas. Most of us are working over Christmas. There is no let-up this year. I have put two weeks into my leave folder, secretary, and I do not expect to get any of it. That is the expectation.

Mr McGlone: Thank you.

Mr Harvey: Minister, you are very welcome. Do you agree that the UK/EU agreement reached last week around a protocol provides little flexibility for Northern Ireland and falls short of the needs of NI? What discussions have you had with your counterparts to highlight Northern Ireland concerns?

Mr Poots: Thank you for the question, Harry. Over the summer and autumn, there have been constant telephone conversations, meetings and letters highlighting our concerns. We have a file of documentation that has changed hands at ministerial level, and another piece of work has been done at official level. There is nothing in this in terms of issues arising from the protocol that UKG could not have been forewarned about. Quite frankly, I have been making a nuisance of myself, and I make no apology for doing so because we need to mitigate and ameliorate the damaging aspects of the protocol.

I have also indicated that there are beneficial aspects of the protocol, in particular those that give us access to the GB and EU markets. Should there end up not being a deal between GB and the EU, Northern Ireland is in a place where it can sell product to GB and the EU without tariffs when no one else in the European Union or in Great Britain can. There is a potential advantage to our position in that respect, but in order to take up that advantage, we need to ameliorate and mitigate the positions of disadvantage. Some of it is complete nonsense. The fact that anyone who brings their pet to Scotland when visiting relatives has to have that pet vaccinated against rabies when they come home when there is no rabies on this island is just wrong. There are also issues with the threat of tapeworm. Robert is being put in an invidious position with that. The same applies to potatoes, which we discussed, and the raw meat that comes in from factories in England to be treated and processed here

and has to go back. Those things are all a nonsense; nonetheless, they are issues that we have to try to deal with, mitigate and reduce.

To be perfectly honest, there will be a relatively small number of checks at Belfast and Larne. Those checks will be relatively straightforward, and they will apply only to food. They will not apply to individuals or to televisions and all that stuff. They will apply purely to stuff that falls under the category of SPS.

This is about protecting the single market. We have been locked into the single market, so that is the circumstance that we find ourselves in. Nonetheless, we can put forward cogent, rational arguments about how this can be done in a way that protects the single market, does no violence to it and, at the same time, does no violence to consumers in Northern Ireland, who, ultimately, will foot the bill. Every consumer in Northern Ireland will foot the bill if we do not get these issues resolved.

I welcome that the can has been kicked down the road and that we will not face a cliff edge on 1 January, but I do not want to be facing a cliff edge on 1 April and 1 July on these issues. That would not be a beneficial position. In January, February, March, April, May and June, we will need to seek to resolve those issues in a firmer way. I hope that that will be the case.

Mr Harvey: Thank you very much, Minister and Chair.

The Chairperson (Mr McAleer): I will let Maurice in before William.

Mr M Bradley: Thank you very much, Minister, for coming to the Committee. Best wishes for a continuation to good health. You alluded in your opening remarks to the UK Government's commitment to support business trade between Northern Ireland and GB. Will you expand on that for us, please?

Mr Poots: NI to GB trade remains unaffected. That is a positive. At one point, there were indications that the EU wanted to get involved in it. It did not have any right to get involved, so, ultimately, that trade will not be affected. GB to NI trade is over 50% of the trading that we do. A significant element of it is in food. You have your massive companies there, such as Nestlé, Proctor and Gamble and so forth, that provide groceries, and the supermarkets will have those businesses, which they have done for many years. The UK Government are very supportive of that trade continuing unaffected.

We have that period of three months, and it is important that we use those three months to demonstrate unequivocally to the European Union that this poses no threat to the single market and that our Government fight very hard to ensure that that trade is unaffected.

Ultimately, we want to ensure that the cost to the consumer of that grocery basket does not go up and remains as closely aligned as possible to where it is. That piece of work needs to continue with the UK Government, with the Joint Committee and with our officials, who are working with officials in GB and the EU.

Mr M Bradley: There is a lot of talk about protecting the EU single market, but you alluded to the fact that trade between Northern Ireland and GB will not be affected. What steps have been taken to ensure that Northern Ireland is not used as a back door into GB by EU member states?

Mr Poots: There has been considerable discussion on that. Meat, in particular, was a big issue, because the tariffs on meat can be 40%, and what is to stop a lorry driving from Poland, where beef is cheaper, coming in through the Republic of Ireland, up to Belfast and into GB? It is going to be meat that is slaughtered in Northern Ireland, so ROI beef that is slaughtered in Northern Ireland will have access to the GB market untariffed. However, should there be no trade deal, ROI beef that is slaughtered in the Republic of Ireland will be subject to tariffs.

The impact of this is going to be huge, and the consequences for the Republic of Ireland of there not being a trade deal, particularly for its food industry, will be very negative. I hope that common sense will prevail and that a trade deal will come into place, because it is not in anybody's interests that the Republic of Ireland takes the pounding that it will take on its agri-food side should no trade deal be established.

Mr M Bradley: Thank you very much, Minister. Robert said that he was down eight vets from 30 to 22. I brought up at a previous Committee meeting the possibility of a veterinary college in Coleraine to produce vets for the entirety of Ireland, North and South. Has any more thought been given to that?

Mr Poots: Yes, there has. Robert has been in discussion with the universities. On the back of that, I intend to write to the universities to invite them to come to talk to us about what their plans would be to develop a veterinary school. Given Northern Ireland's position in producing around 11% of the food for the entire United Kingdom and in how we punch above our weight in that sector, having our own veterinary school would be hugely advantageous to the entire sector.

The Chairperson (Mr McAleer): Maurice touched on the back-door question, which I had in my head as well. Is there any elaboration on how the anti-avoidance measures will be implemented and what, precisely, those measures will be in order to protect the North from being a back door?

Dr McMahon: Maybe Norman could touch on that.

Mr Poots: Norman, can you come in on that?

Mr Fulton: Anti-avoidance measures will be introduced, I think, through the Taxation (Post-Transition Period) Bill. We do not yet have a line of sight of the practical outworkings of that, and we still have to wait and see the details. Certainly, for the first six months, we will have an approach to unfettered access whereby, effectively, goods that are present in Northern Ireland will have unfettered access to GB. That is termed the first phase. What comes beyond that still has to be determined.

The Chairperson (Mr McAleer): Norman, is there a danger of any disruption to trade between the North and Britain if there has to be some sort of checks to segregate what qualifies and what does not?

Mr Fulton: At this point in time, there is no indication of that. As I said, whatever is present in Northern Ireland will have unfettered access, so there are no plans for any physical or customs presence in Belfast. It is about what comes beyond that. Obviously, the significance of that unfettered access route will be very heavily influenced by the existence or not of a free trade agreement, and we still have to wait and see the outcome of that.

The final bit of the jigsaw is the extent of any SPS checks after that first six-month period that might apply to agri-food produce coming up from the Republic of Ireland and routing through Belfast. Again, that is something that we still do not have a line of sight on.

Dr McMahon: On that, it might be worth clarifying that there are no plans whatsoever for us to put in place SPS checks on this side of the Irish Sea. As Norman says, we will need to see what the UK approach is going to be on that, but I said that just so that there is no misunderstanding about it.

The Chairperson (Mr McAleer): That is good. Obviously, we want unfettered trade in every direction, but I am still trying to think about this: how do you know that a lorryload of beef is just beef that is produced here in the North and is not of mixed origin? How can that be done without some checks or anti-avoidance measures to ascertain that?

Dr McMahon: The main point that the key representations that we have been making at official level are about making sure that we reflect the industry's concerns. The industry's concerns are about getting the right balance between, on the one hand, unfettered access, but on the other hand, keeping a fair, level playing field so that our businesses are not at a detriment because others are coming in through the back door.

The Chairperson (Mr McAleer): Absolutely.

Mr Poots: Our position to the UK Government is very clear: Northern Ireland should not become some place where illegal trade takes place that allows food to go into GB without the appropriate tariffs, should tariffs be applicable.

The Chairperson (Mr McAleer): William, do you want in again?

Mr Irwin: Yes, thank you very much, Mr Chairman.

Are potatoes included in the grace period for products that are allowed?

Mr Poots: Not potatoes with skins.

Mr Irwin: If there is no deal, which we all hope does not happen, our plants will have to pay tariffs to get their beef into the UK. Are they not leaving an open door for the beef to come through Northern Ireland?

Mr Poots: That can only be beef that is slaughtered and processed in Northern Ireland. It cannot be beef that is slaughtered in Ireland and then imported through here.

Mr Irwin: Yes, I understand that, but, if there are no checks on this side, that could be hard to —.

Mr Poots: There is traceability on beef. The key market there is the supermarket trade. I know that, with the lockdowns and everything that has happened, the food service trade has probably become a smaller proportion of that over the last nine months. The discussion that has taken place and the arrangement that is put in place are on the idea that that will apply to animals that are slaughtered in Northern Ireland. That will give little grace to some of the ROI producers and will probably put pressure on our plants. If you end up with a no-deal scenario, perhaps as a consequence of driving beef prices and milk prices upwards here, that remains to be seen, because if there are tariffs applied to materials that would normally come from Poland and France and so forth, that is liable to lead to a rise in prices in the markets.

Mr Irwin: Thank you.

The Chairperson (Mr McAleer): OK. Thank you, Minister. I am conscious that you are moving on to the next meeting. We are glad that you were able to extend your stay with us to answer questions along with Denis, Robert, Norman and Mark. We will not see you until the new year, so I wish you all a merry Christmas and a safe and quiet Christmas.

Mr Poots: Thank you. I wish you all a merry Christmas. As we move to the new year, I hope that the vaccination will get rolled out to the most vulnerable people, enabling others to perhaps have a greater level of normality than has been the case over 2020. We will have a series of different problems to deal with in 2021, but I hope that one of them is not the perpetual COVID problem.

The Chairperson (Mr McAleer): Thank you all very much.

Mr Poots: Thank you.