JUNE 2019 EDITION 5

BREXIT TOOLBOX

Preparing for Brexit

NFU supported by NFU Mutual

NFU CYMRU

NFU

Get ready for Brexit

The EU and UK are currently negotiating the terms of the UK's withdrawal from the European Union. This period of negotiating has been extended and will run until the 31st October 2019, unless an agreement is reached before this date. There are two aspects to the negotiations. The first is a legally-binding "withdrawal agreement" that will set out the terms of the UK's departure. The second is a non-binding political declaration that will set out the terms of reference expected to shape the future economic partnership between the UK and EU.

The EU and the UK reached an agreement on both documents at the end of November. However the UK Parliament has not yet ratified that agreement. In mid January, the government faced an overwhelming defeat. It is unclear whether the agreement will ever command a majority in the House of Commons in order to pass into law. On the EU side the European Parliament must also give its approval.

An orderly withdrawal – "deal"

If the "Withdrawal Agreement" and the political declaration are approved by Parliament before the day of exit (anticipated by UK law as 23.00h on 31st October 2019), most of the legal effect of Brexit will only apply as of the 1st January 2021, after a time-limited implementation period of around 14 months. This means the government, the EU and business will have longer to prepare for the effects of Brexit.

The most recent extension granted to the Article 50 negotiations allows for the UK to leave at any point before the new date of exit, if Parliament approves the Withdrawal Agreement and Political Declaration.

A disorderly withdrawal – "no deal"

If the "Withdrawal Agreement" is not ratified by the UK Parliament by exit day, there will be no implementation period and the UK will be treated as a third country whose relations with the EU would be governed by general international public law, including the rules of the World Trade Organisation (WTO). This means the EU will apply its regulation and tariffs at the borders with the UK, including checks and controls for customs, sanitary and phytosanitary standards (SPS) and verification of EU rules and standards. This is likely to involve significant disruption to UK businesses and delays at the borders. More information on what this means is set out on pages 7-10.

EU/UK NEGOTIATIONS

GETTING THE "DEAL" THROUGH WESTMINSTER PARLIAMENT

STEP 1

The Government must present a motion to Parliament to approve the Withdrawal Agreement and the political declaration on the future economic partnership.

STEP 2

MPs must vote on the motion. On its first attempt, the government lost the vote by a margin of 230. The government has subsequently been defeated two further times on its proposed deal. The Lords must debate the motion but a vote is not necessary.

If the motion passes the Commons and the Lords, the Government will table the Withdrawal Agreement Implementation Bill. This Bill must be passed before 31st October 2019 enacting the Withdrawal Agreement.

If the motion does not pass the Commons and the Lords, or if there is no Withdrawal Agreement, then the government must make the choice either to ask the EU for a further extension to the negotiating period beyond 31st October 2019 or to face a disorderly withdrawal on this date.

Keep up to date

The NFU's Brexit team is following very closely the developments in the negotiations. Since the beginning of 2019, the NFU has met with government officials and ministers over 80 times to understand the likely outcome and how the government is preparing for that situation.

www.nfuonline.com
www.gov.uk/government/brexit
www.nfu-cymru.org.uk

Basic Payment Scheme (BPS), Countryside Stewardship & Glastir and rural grants

Irrespective of whether there is a deal or "no deal", the government has announced continuity and certainty for farm support payments in the short term.

Basic Payment Scheme (BPS)

BPS 2019 is running as normal on the same basis as 2018. Updated guidance for farmers has been published. This means the rules relating to "mapping", "greening", "cross compliance" and "eligibility" all remain in place for 2019.

Defra and Welsh Government has also announced that the Basic Payment Scheme (BPS) will operate in 2020 in much the same way as now. They will, however, consider simplifications to make it easier to apply for and administer BPS.

Countryside Stewardship & Glastir and rural grants

The governments in Westminster and Cardiff have also committed funding for the continued operation of Countryside Stewardship & Glastir and other rural grants (for example LEADER and Countryside Productivity Grants) until the end of December 2020. This means farmers will continue to be able to apply for these schemes post Brexit, irrespective of whether a withdrawal agreement is reached with the EU. Defra has indicated that it wants to simplify the schemes available, and the NFU is working in partnership with government to achieve this.

Keep up to date

The NFU has dedicated teams working to ensure that the government schemes available to farmers are fit for purpose and are not disrupted as a result of Brexit.

www.nfuonline.com/cross-sector/farm-business/bps/
www.gov.uk/guidance/bps-2019
www.nfuonline.com/cross-sector/environment/agri-environment-schemes
www.nfu-cymru.org.uk/cross-sector/cap-bps/

Labour

In the event of an orderly withdrawal the Withdrawal Agreement as currently drafted will protect the rights of EU citizens currently living in the UK, and of UK citizens currently living in EU countries.

Settled Status scheme

To deliver this commitment the UK government has set up an EU Settlement Scheme. EU citizens living and working in the UK are able to apply to the Scheme to continue living and working in the UK after 31st December 2020. If the application is successful, then either "settled" or "pre-settled" status will be given.
"Settled status" is open to those who started living in the UK by 31st December 2020 and have lived in the UK for a 5-year period
"Pre-settled status" is open to those who started living in the UK by 31st December 2020, but have **not** lived in the UK for a 5-year period. The scheme is now open for applications and the deadline for applying will be 30th June 2021.

Pilot SAWS launched

In summer 2018 a two-year pilot scheme was announced to support UK farmers who rely on access to seasonal labour to plant, pick, grade and pack produce. The limited pilot allows up to 2,500 non-EU migrant workers to work on UK farms and then return home after six months, helping to alleviate labour shortages during peak production periods. The pilot has now commenced and will run until the end of December 2020. During this period it will be closely monitored by the Home Office and Defra.

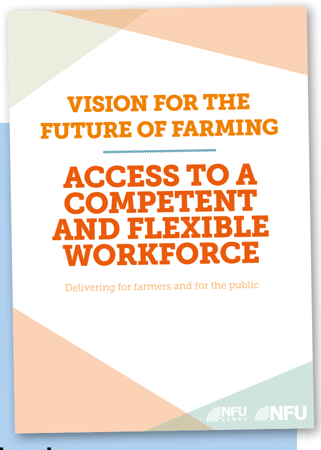
Post Brexit immigration policy

In December 2018, the government unveiled its new, single, skills-based visa immigration system which applies to both EU and non-EU migrants alike. The proposed system, due to be opened in Autumn 2020, places an emphasis on so called "high-skilled" workers. The UK Government proposes that there will be no cap applied to the numbers of migrants coming in through this route; however there will be a salary threshold set which migrants with job offers will have to prove that they meet in order to guarantee entry. The government is proposing to provide an exemption to the minimum salary thresholds for certain occupations through a Shortage Occupation List. Alongside the proposed single skills system, the government intends to put in place a 'time-limited route' for temporary short-term workers, which means that, for a transitional period only, people will be able to enter the country for a year. After the 12-month visa expires, there would then be a 'cooling-off' period of 12 months to prevent those who travel under this visa becoming permanently based in the UK.

In the event of a disorderly withdrawal

EU citizens will still be able to come to the UK for seasonal work in 2019 and 2020. Those arriving in the UK after 31st October 2019 and wish to stay for more than three months, will need to apply to the Home Office for 'European Temporary Leave to Remain'.

Subject to identity, criminality and security checks, "European Temporary Leave to Remain" status will be granted for 36 months. This will be non-extendable, temporary leave so those who wish to stay longer-term will need to apply in due course under the UK's future border and immigration system arrangements. Applications will be online and following representation from the NFU the announcement was made that fees will be waived.



Keep up to date

The NFU has a dedicated team of staff looking at the impact of Brexit on labour availability, both seasonal and permanent. We are clear that the government's approach to immigration must ensure we can access a competent and reliable workforce to ensure that British food and farming remains a successful and thriving sector.

www.nfuonline.com/cross-sector/farm-business/employment/
www.gov.uk/guidance/status-of-eu-nationals-in-the-uk-what-you-need-to-know

Regulation – the law of the land remains in place

The European Union (Withdrawal) Act has been passed by UK Parliament. This Act converts EU law as it stands at the moment of exit into domestic law, and preserves laws made in the UK to implement EU obligations. In short, this means that the "law of the land" that was put in place over the course of the UK's 45 years of EU membership will remain the same following Brexit. For example, rules relating to animal welfare, animal identification, the approval of and use of plant protection products, VAT, environmental rules and food laws all remain the same until such time as the UK Parliament decides to change them. This means you must continue to comply with the rules and you may continue to encounter inspections and, in the case of breaches, face consequences.

Agriculture Bill

Over the longer term, the UK Government has said that it intends to replace the Common Agriculture Policy (CAP) with its own rules. The government has published an Agriculture Bill. this bill sets out plans to phase out the system of direct payments (BPS) farmers in England currently receive and replace it with a new environmental land management system that helps farmers to better manage the environment.

Starting in 2021, Defra will phase out the direct payments (BPS) in England. The aim is to phase out direct payments (BPS) completely by the end of the agricultural transition, with the last payments being made for the 2027 scheme year. Although this time frame can be extended if necessary.

With regard to Wales, Welsh provisions in the UK Government's Agriculture Bill give Welsh Ministers similar powers, allowing them to phase out Wales' system of direct payments. The Welsh Government's 'Brexit and Our Land' consultation proposes that BPS in Wales is gradually replaced with a system of payments for public goods, and economic resilience measures of targeted investment to land managers and their supply chains. NFU Cymru remains very concerned about the loss of direct payments to Welsh farmers, and continues to press Welsh Government to continue to pay an element of direct support to farmers in Wales.

The Welsh Government's intention is to begin the phase out of direct payments in 2021, with the aim to complete this process in 2025, although Welsh ministers will have the option of extending this transition period if necessary. A further consultation from Welsh Government on its proposals for agricultural support is expected in the summer.

Keep up to date

NFU Cymru has identified a number of EU rules that it wishes government to consider once we leave the European Union, including the introduction of a new, bold and ambitious domestic agricultural policy to eventually replace the CAP.

www.nfuonline.com/news/eu-referendum/
www.gov.uk/government/consultations/the-future-for-food-farming-and-the-environment

NFU Cymru has created an online hub that contains all of the information relating to the Agriculture Bill in one place.

www.nfuonline.com/agriculture-bill-hub/
www.nfu-cymru.org.uk/news/brexit/

International Trade

In the event of there being a Withdrawal Agreement, the EU and UK will put in place a time limited implementation period that will run until 31st December 2020. In this event, the implementation period will maintain continuity for businesses and the UK will continue to trade with the EU during this period on the same basis as now. It will also mean that businesses will only have to make one set of changes as a result of Brexit.

In the event of a disorderly withdrawal

In the event of there being no withdrawal agreement, or the withdrawal agreement is not ratified by the respective sides in time, the impact of Brexit will be felt much more keenly from the day of exit. This is because the UK will be considered a third country to the EU from the moment of Brexit.

Only you know your business well enough to identify how a "disorderly" withdrawal ("no deal") may impact your farming operations. One thing you can do to prepare for this possible outcome is to identify your business risks and the level of exposure you have to the EU market.

Inputs

Think about your inputs (for example feed, fertilisers, veterinary medicines, plant protection products, machinery purchases, machinery parts and service agreements).

- When do you need or use these inputs? Does that coincide with the period running up to, or immediately after Brexit (31st October 2019) when you will need these inputs for your business and there could be disruption as a result of Brexit?
- Where do they originate? Are they manufactured in the UK, the EU or from a third country (such as China or the USA)?

If they are imported into the UK, you could talk to your supplier to understand whether they anticipate any delays or increases in prices (for example if duties are applied at the border or if there are delays of consignments).

Outputs

Think about your outputs (for example if you are exporting live animals, selling livestock to abattoirs, grain to merchants or other products that may be destined for the export market).

- Do you know where your product is destined?

In the event of a no-deal the EU has said that it will treat the UK as if it were a third country. This means that the entire EU's animal health, plant health and food safety checks that it puts in place to safeguard EU citizens and its animals would apply to the UK.

For example, exports of live animals and animal products (including meat, dairy and poultry) from the UK to the EU can only enter the EU27 through "border inspection posts" and each consignment has to be accompanied by a health certificate issued by an approved EU veterinarian. Every consignment entering the EU27 would be checked.

Contracts

If you have entered into any contracts, both with parties supplying you inputs and outputs, it will be important to understand who will be liable for any extra cost (especially if you have already agreed a price) or other compensation if for any reason you or your supplier fail to meet your obligations as a result of Brexit.

Managing the financial risk

"No deal" could impact the financial health of other businesses in your supply chain. It is important for you to consider how you might protect your business from these risks. This might include being wary of releasing large quantities of produce to a buyer if you suspect that there will be problems in collecting the money you are owed. Consider asking for payment at the point of order or delivery. You may wish to sell farm produce to a number of different buyers. This is intended to reduce the risk to your business in the event that one or more of your buyers fail to pay you on time and/or become insolvent.

Government's preparations for "no deal"

Whilst a deal has been agreed between the EU and the UK there is still a risk that the UK could leave the EU without a deal if Parliament continues to reject it. The government has therefore produced a dedicated website www.euexit.campaign.gov.uk and published a series of technical notices to set out information to allow business to understand what they need to do in a "no-deal" scenario. The government maintains that such a scenario is unlikely, but it has a duty to prepare for all eventualities.

More than 16,000 civil servants are currently working on exit, of which Defra is one of the departments with the highest percentage of these civil servants. Defra recruited 1,300 members of staff in 2017/18 to work on Brexit.

What do the notices say?

Trading with the EU

In the event of "no deal" there would be immediate changes to the export and import procedures that apply to businesses trading with the EU. This would mean that the free circulation of goods between the UK and EU would cease. Customs and excise rules and checks on the rules of origins of product would be applied at the border for goods moving between the UK and EU in the same way as they do for any other third country.

The EU has confirmed that it will apply its full external tariff, as set out in its Common External Tariff (CET), to product from the UK entering the EU27. This includes product moving from Northern Ireland to the Republic of Ireland.

We appreciate that most members are unlikely to be trading with the EU in their own right. However, many businesses within the agricultural supply chain will be. We would therefore encourage members to talk to their merchants, suppliers and processors to understand what this means for them and hence what any knock on impacts could be at the farm level.

UK applied tariffs – classifying your goods in the UK trade tariff

UK exporters to the EU will be required to pay tariffs as set by the EU. For EU goods imported into the UK there will be a requirement to pay tariffs set by the UK Government.

Under WTO rules the principle of most favoured nation (MFN) means that unless a preferential agreement, such as a free trade deal, is in place or the UK remains part of the EU's customs union (of which neither would be the case in a "no deal" scenario), the same rate of tariff must be charged to all WTO members.

The government has announced the external tariff rates that the UK would apply in the case of "no deal". These tariffs differ from the existing EU tariffs set out in the Common Customs Tariff (CCT) and vary from continuing tariff protection for sheep meat right through to the removal of tariffs on many dairy products, cereals, eggs, fruit and vegetables that are imported into the UK.

This external tariff is often referred to as the 'applied tariff' as this is the tariff applied on the day at the border. The UK would have the flexibility to set this tariff at any level provided it did not exceed the maximum amount laid down in the UK schedule with the WTO in Geneva.

The NFU understands that the government's priority in a "no deal" scenario would be to maintain "price equilibrium" or balance in consumer prices. The government proposes to do this through the reducing applied tariffs for nearly all agricultural goods imported in to the UK.

At present the UK imports around 40% of its food requirements, with around 70% of that currently imported duty free from the rest of the EU. Bearing in mind the MFN principle, the UK would have to apply its tariff not only to imports from the EU, but also the rest of the world.

We appreciate that most members are unlikely to be trading with the EU in their own right so will not face these tariffs themselves. However many businesses within the agriculture supply chain will be and these external tariffs are an important dynamic in commodity markets, and therefore will impact on farmgate prices.

We are actively engaged with government to influence the tariffs it applies to imports coming into the UK. The primary concern is that in the case of "no deal" where the UK Government reduces the levels of applied tariff in pursuit of food price equilibrium, it would undercut domestic producers exposing them to cheaper imports produced in a lower-cost environment. UK farmers and food operators are rightly proud of the standards they produce to, which ensure a safe supply of food for the British public. It would be totally unacceptable if as a result of a breakdown in negotiations food coming into the UK was not subject to the same stringent controls.The NFU, along with the other UK Farming Unions, have written to the Chancellor of the Exchequer setting out our concerns over this policy. For further information on the applied tariff policy's effect on UK agriculture, please visit www.nfuonline.com/news/eu-exit

Exporting animals and animal products

In the event of "no deal", an Export Health Certificate would be required for exports of all animal products and live animals from the UK to the EU and consignments would need to travel through a Border Inspection Post (BIP) within the EU, with every consignment inspected.

An EHC is an official document, signed by a veterinarian, and is specific to the commodity being exported and the destination country. It proves that the consignment complies with the quality and health standards of the importing destination country.

The UK has applied to the EU to be a listed third country and this application has been granted. This will help to ensure that even in the event of "no deal", exports of animal and animal products can continue. However, this listing does not cover unpasturised milk collected from farms in Northern Ireland to be taken for processing in the Republic of Ireland.

The EU would also no longer recognise transport authorisations, certificates of competence, or vehicle approval certificates issued by the UK. Therefore, UK transporters wishing to transport live animals in the EU would need to appoint a representative within an EU country and apply for a Transporter Authorisation, Certificate of Competence, Vehicle Approval Certificate and, where necessary, a journey log. Journey logs would need to be obtained from the EU country that is the initial point of entry into the EU for export. Exporters would need to present their transport documentation at a Border Inspection Post in the EU.

Requirements for trade in animals and animals products to third countries outside the EU should not change.

The NFU is calling on the government and European Commission to ensure that the export certification and approval process is ready for Brexit. Government must simplify approvals for processing/cutting/manufacturing plants, ensure new EHCs are available and that there are enough trained and approved veterinarians or authorised signatories to approve the additional certificates required to export to the EU. The infrastructure at UK and EU Border Inspection Posts must be available and able to cope with the increase in documentary and physical checks. Current trade flows particularly through the Dover – Calais route are not through existing BIPs, although Calais has now applied to be recognised as an EU BIP. We are concerned over the readiness of BIPs and the unfamiliarity of UK exporters with a new system, which together have the potential to cause blockages and significant disruption to trade flows.

We remain concerned that government has indicated that they would take steps to control the export of live farm animals for slaughter once we leave the EU. We believe that the live export of animals for slaughter, under strict control, needs to remain part of the trading mix. Whilst the trade with Europe has moved towards carcases and cuts of meat the trade in live animals enables producers to maintain prices when domestic supplies are high.

Organics

In the event of a "no-deal", the EU will no longer recognise UK organic certification bodies. In order for the UK to be able to export organic products to the EU, UK certification bodies will be required to apply for European Commission approval. This process can only commence after we leave and can take up to nine months, although the government is seeking ways to speed up this process with the Commission.

Meanwhile the UK will continue to recognise EU imports, but this will be at the UK's discretion. The UK also intends to recognise trade with countries currently deemed as equivalent to the EU. Therefore, the import and export of organic goods to or from countries such as the USA, Canada, Japan and South Korea should only be minimally disrupted, if at all. UK operators will no longer be allowed to use the EU organic logo, and will be given a grace period to use up reserved stock.

The NFU will be liaising closely with UK certification bodies, Defra and representatives across Westminster and Brussels to find solutions to avoid an effective export ban to the EU in the event of a "no deal". Hearing the views of members will be critical for the NFU to ensure political stakeholders understand the full impact of a "no deal" for organic farming.

Upholding environmental standards if there's no Brexit deal

The notice states that the UK Government is committed to maintaining environmental standards after we leave the EU and that it intends to do this by:

- upholding any international obligations
- ensuring all existing EU environmental law continues to operate in UK law
- introducing an Environment Bill, including provision for a new independent body to hold government to account on environmental standards
- considering what interim measures may be necessary in case of a "no deal"

The NFU recently submitted a comprehensive response to a government consultation on 'Environmental Principles and Governance', which asked for views on proposals for a new environmental body and how environmental policy principles could be embedded in UK law.

A new Environment Act is a priority area of work for the NFU and we continue to engage with Defra on its ideas for the development of any new legislation. The NFU's interests are in ensuring that any new Act is framed to support productive agriculture, while protecting our soils, water and wildlife.

Labelling

In the event of "no deal" the government has said that some labelling changes may be required which could result in additional costs to businesses, primarily for those who import or export their products.

Country of Origin - there will be a cost for new labels in relation to on-package labelling for those who export or import. The use of the term 'EU' in origin labelling would no longer be correct for food or ingredients from the UK.

Additionally, products sold in the UK will need to include the name and a UK address of the food business operator. An EU address alone would no longer be valid for the UK market. Similarly, a UK address alone would no longer be valid for the EU market. Businesses will need an EU address to export to the EU which has the potential to create additional cost and delay.

There is no mention in the notice of the impact of providing a country of origin, which may be impacted by WTO rules of origin. The NFU will be seeking further clarity on this matter.

EU approval – Some products require approval by the Commission before they can be placed on the market within the EU such as some flavourings. This will cause a delay for these businesses while approval is sought.

The NFU will continue to raise our concerns with Defra regarding new labelling rules and we will seek clarity where required. We have responded to consultations on food labelling matters. We will be specifically seeking to understand any potential impact on country of origin labelling.

Protection of Geographical Indicators (GIs)

When the UK leaves the EU the UK Government has confirmed that it will automatically protect all existing GIs. The NFU has responded to the government consultation on the new scheme and logo design and will work with government to ensure the new scheme is fit for purpose. If the UK leaves without a deal, Defra will publish guidance on how to apply to the new GI scheme in October 2019.

In the event of no deal UK GIs will continue to protected at EU level. The UK is working to replicate the existing EU free trade agreements. It is seeking to replicate all existing protections for GIs in these agreements. In a no deal scenario the new GI scheme would be operational from the point of exit.

Keep up to date

The government continues to publish a number of technical notices intended to assist businesses and citizens to prepare for a possible "no deal" outcome. The NFU has created an online hub critiquing the "no deal" notices and ensuring they are all accessible in once place.

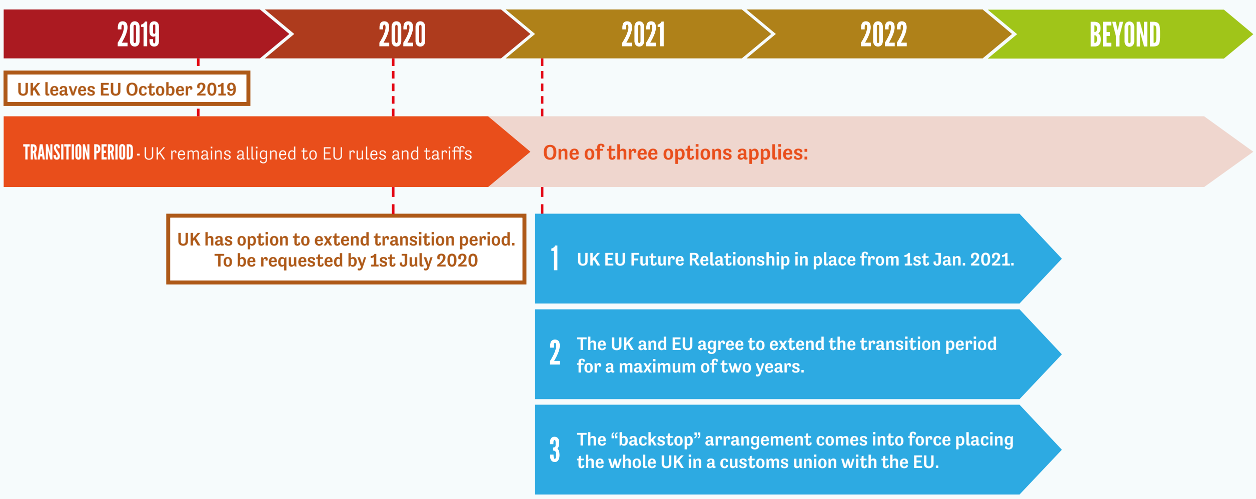
www.nfuonline.com/no-deal-hub/
www.euexit.campaign.gov.uk

Withdrawal Agreement – what does it say?

The Withdrawal Agreement is a legally binding international treaty between the EU and UK; essentially it is the terms of the divorce between the two parties which must be ratified by both the UK and European Parliaments to take effect..

Transition Period	• There shall be a transition period starting on the date of exit and ending on 31st December 2020. • The transition period can be extended once for a maximum period of two years. • During this period the UK will no longer be a member of the EU, but will be treated as such under Union law unless otherwise specified. This means that during this time we continue to operate as if we were a Member State.
International Agreements	• During the transition period the UK and the EU have agreed that the UK will be treated as a Member State for the purposes of EU international agreements with third countries. The EU will notify third countries of this. This provides important continuity for example with existing trade agreements. • The UK may negotiate, sign and ratify international trade agreements entered into in its own capacity, provided those agreements do not enter into force during the transition period, unless authorised by the EU.
Financial Settlement	• The financial settlement covers the UK's financial commitments to the EU and vis-versa. • The Withdrawal Agreement does not put a value on the figure but sets the mechanism for working it out. The National Audit Office expects this to be in the region of £39 billion.
EU Budget contributions	• For the years 2019 and 2020, the UK shall contribute to and participate in the implementation of EU budgets.
Goods on the market	• Any goods lawfully placed on the market before the end of the transition period may circulate until it reaches its end user. The EU marketing of goods rules will continue to apply until the end of the transition period. • Animals and animal products that are circulated on the market shall be covered by the EU rules throughout the transition period and beyond, provided the date of departure of those animals / products is before the end of the transition period.
Geographical Indicators	• Existing EU GIs will remain protected in the UK until such a time as a new future economic relationship comes into effect and supersedes those arrangements. • Existing UK GIs will continue to be protected by the current EU regime.
Plant Variety Rights	• Community plant variety rights (PVR) currently give protection throughout the EU with a single right. The UK will grant national rights in place of existing EU rights so that right holders do not have any loss of rights or gap in protection in the UK.
The Northern Irish protocol – the so called "backstop"	• The "Irish backstop" has been agreed to ensure that in the event that the future relationship between the UK and the EU is not in place by the end of the transition period, the Good Friday Agreement will be upheld and there will be no hard border on the island of Ireland. • It establishes a Single Customs Territory (or Custom's Union) between the UK and the EU, thereby ensuring the free flow of goods between Northern Ireland and Ireland. This means there would be a tariff free and quota free market for goods between the EU and UK. • As part of this Customs Union the UK would be committed to the same external tariff as the EU for trade in goods with third countries. • Northern Ireland would have to follow certain EU single market rules. This requirement does not apply to mainland Great Britain meaning that if there is regulatory divergence there could be a need for border checks. It will be for the UK Government to decide the extent to which the UK as a whole will align with single market rules to reduce the inevitable friction that will arise from this arrangement.

What happens after the transition period?



NFU Cymru is lobbying on your behalf for:

International Trade

- Recognition of our food supply sector as one of Britain's great opportunities for growth, ensuring more consumers at home and abroad can enjoy high quality British food.
- Guarantees to maintain free access to the EU single market and that the cost of doing business with the EU is kept to a minimum.
- Equitable trade agreements with countries around the world maintaining our high food, animal welfare and supply chain standards.
- The full assessment, in conjunction with industry, of the impact of any trade deals before negotiations are concluded, so that broader domestic policy aims are not undermined.
- The trade deals with countries that we already enjoy preferential arrangements, as part of the EU, to be maintained uninterrupted post-Brexit.

Labour

- A commitment that farmers and growers will have access to sufficient numbers of permanent and seasonal workers from outside of the UK both before and after the UK leaves the EU.
- Urgent clarity on the status of EU citizens living in the UK in the event of there being no agreement.
- A suite of visa or controlled fixed-term work permit schemes for agriculture and horticulture to meet the seasonal requirements in specific sectors, where significant shortages in workers are already being felt.
- A future immigration system that recognises the crucial importance of migration for certain sectors of the UK economy, both low and high-skilled, based on a realistic expectation of the ability and availability of UK workers to fill the jobs currently carried out by EU migrant workers.

Better Regulation

- An enabling regulatory framework which supports profitable, progressive and competitive farm businesses. Science and evidence must be at the heart of policy and decision-making to ensure a regulatory environment that has a long-term vision to and provides stability and certainty for farm businesses.
- Farmers that demonstrate they present a low risk of infringing on rules, and those that go further through voluntary schemes, should have this effort recognised when compliance with regulation is being assessed (Earned Recognition).
- The regulatory regimes implemented in the UK to bear in mind the need for regulatory equivalence with trading partners to maximise the potential to trade British produce with the EU and globally.
- The precautionary principle to be balanced and not stifle investment. Proportionate, risk-based approaches should be pursued to encourage innovation and improve competitiveness.

Domestic Agricultural Policy

- NFU Cymru sees reform of domestic agricultural policy as a unique opportunity to put in place the foundations that will deliver a sustainable, profitable and progressive farming and horticulture sector.
- As we reform our domestic agricultural policy and farm support system we believe that the following key principles should be observed by the UK government now and in the future
  - It should be fair and equitable to all active farm businesses irrespective of size or system,
  - It should seek to maintain a level playing field across the UK and with respect to our main competitors,
  - It should provide sufficient time and certainty for active farm businesses to plan, as well as opportunities for them to adapt and invest, and
  - It should ensure public investment in agriculture remains effective in promoting productivity, providing fair reward for environmental delivery and managing volatility.