

Submission

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Cc: Jonnie Hall

From: David Michie

E-mail: david.michie@nfus.org.uk

Direct dial: 07842 306461

European Affairs Committee: Dynamic Alignment

NFU Scotland (NFUS) is the leading agricultural organisation in Scotland. Representing more than 9,000 farmers, growers, and crofters, our members provide and support thousands of jobs and deliver significant economic, social and environmental benefits across Scotland.

Agriculture is the lynchpin of rural Scotland and is an important part of Scotland's booming food and drink industry. Scottish agriculture generates a gross output of £3.3 billion annually. The farming and crofting sector is committed to sustainable food production, enhancing biodiversity and helping to tackle climate change.

OVERVIEW

- We welcome a closer trading relationship with the European Union (EU). We believe it will have a net positive benefit for Scottish agriculture. We also believe dynamic alignment will be disruptive and pose challenges to some sectors.
- It is essential the UK Government considers the impacts full dynamic alignment could have on Scottish agriculture and negotiate terms that minimise disruption to Scottish farming and crofting businesses.
- Appropriate transition periods are essential to enable businesses to adapt to dynamic alignment.

1. What is dynamic alignment? How does dynamic alignment operate under EU agreements with non-EU countries other than the UK?

Our members are most concerned about the establishment of a common Sanitary and Phytosanitary (SPS) area between the EU and Great Britain (GB). This involves alignment on plant and animal health and welfare regulations. These regulations are directly relevant to our members' businesses. This response will focus on what dynamic alignment means in terms of the SPS agreement, and its potential impacts on our members' businesses.

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We understand that dynamic alignment essentially means that the EU's plant and animal health and welfare regulations will apply to all agricultural production in GB. Not just production for export to the EU. This applies to current, and any future, relevant EU regulations.

We also understand the UK government may negotiate exemptions for particular aspects of agricultural production specific to GB. This is important for Scotland, a northern European country with a cooler wetter maritime climate, extensive and marginal hill production, and agricultural production in remote rural areas.

We believe that when the UK and EU are dynamically aligned, the UK will have some involvement in the development of new EU regulations. But as a non-member state, this involvement will be limited. UK officials will be "in the decision-shaping room, but not at the voting table".

2. In developing its arrangements for dynamic alignment, are there lessons that the UK should draw from:

- a. the other countries that engage in, or are preparing to engage in, dynamic alignment with the EU—namely the European Free Trade Association (EFTA) countries of Iceland, Liechtenstein and Norway, within the European Economic Area (EEA); and Switzerland?**
- b. and/or the experience of a form of dynamic alignment with respect to Northern Ireland under the Withdrawal Agreement Protocol/Windsor Framework?**

Our colleagues in the Ulster Farming Union have had challenging experiences with the Windsor Framework. They have reported difficulties with agricultural imports and exports.

One lesson that can be drawn from this is the importance of a common framework that eases trade between countries and creates a 'level playing field'. Another is the importance of a mechanism for the UK Government to be involved in the EU decision-shaping process.

3. Can formal 'decision-shaping' by non-EU states, under agreements with the EU, deliver real influence over the EU law to which it applies? If so, what institutional arrangements and resources should the UK Government have in place—in London, Brussels and national capitals around Europe—to ensure that it can participate in EU 'decision-shaping' as effectively as possible?

To deliver influence EU law, the UK and Scottish Governments must adequately resource technically qualified staff who can promote UK interests in EU Committees and engage with EU Commission policy teams. This resource is essential to shape EU decisions.

We urge UK government to have a close relationship, and put in place a formal process for consultation, with the Scottish Government. We are aware of several proposed regulations, including those relating to livestock transportation times and Avian Influenza, that could impact Scottish farmers and crofters. We want any relevant potential Scottish impacts to be considered in decision-shaping, considering Scotland's specific geography, climate, and production systems.

4. Are current arrangements for parliamentary scrutiny of UK-EU relations adequate for scrutinising dynamic alignment? What would an ideal system for parliamentary scrutiny of UK dynamic alignment comprise?

No.

For the Scottish Parliament, we want to see an effective process that ensures the Scottish Government can influence how the UK Government engages with EU legislative proposals before they become law.

For the UK Parliament, we want to see appropriate scrutiny of legislative proposals and the right to scrutiny for legislation that could have a high impact on agricultural businesses in the UK. We also want to see an independent arbitration process between the UK and the EU in the event of a concern arising. And we want the UK Parliament to retain the sovereign right to withhold consent, acting as a 'backstop' in exceptional and significant circumstances. We also want to see parliamentary committees established in both houses of parliament in Westminster, to scrutinise proposed EU legislation.

A system should be put into place that enables sifting through the significant number of proposals brought forward by the Commission each year. To identify proposals most significant to the UK. Relevant proposals can then be put forward and scrutinised appropriately by parliament.

5. What impact are the three new UK-EU agreements that are currently in prospect likely to have on UK GDP? (the three agreements being on: the creation of a Common Sanitary and Phytosanitary (SPS) Area; the linkage of the UK and EU Emissions Trading Schemes (ETSs); and UK participation in the EU's internal electricity market)

Negotiations are ongoing, and nothing is agreed until everything is agreed. We cannot know what the impact of the final negotiated agreement will be on Scottish agricultural businesses.

We do believe the SPS agreement will make trade easier and reduce costs. Export Health Certificates, Phytosanitary Certificates, and Organic Certificates of Inspection, which all cost money, will no longer be required. Removing SPS border checks will ease movement and reduce the sampling and analysis costs faced by supply chain businesses. We believe that in the long-term this will lead to economic growth in Scottish agriculture as supply chains are re-established and trade flows more easily to and from the EU. Dynamic alignment could also potentially pose some challenges and create some disruption to some sectors.

6. To what extent are the drawbacks and benefits of these prospective agreements for the UK, including with respect to GDP, likely to depend on their precise terms—for example, with respect to the scope and operation of, and exemptions from, dynamic alignment?

This will depend on what the final agreement is. And the duration of the transition period for this agreement coming into force. It is essential that appropriate transition periods are in place for some sectors to avoid significant disruption and economic damage. We want transition periods for certain sectors, as described below.

Pesticides

As policy relating to this is reserved, there has been significant divergence between GB and the EU on pesticide authorisations. A 'cliff-edge' alignment date would pose significant challenges for agricultural businesses in Scotland.

We want to see a transition period on plant health legislation that allows the use of products authorised by the UK, until these products are due to be reauthorised by the EU. At this time the UK should have an opportunity, as described in our response to question 3, to provide relevant evidence and expertise to inform those decisions.

Mycotoxins

The EU has a lower legal mycotoxin Maximum Limit (ML) for cereals used for food and drink processing than GB. The impact of compliance with this lower EU ML for mycotoxins is unknown, as the supply chain has not needed to test for this lower limit specification. This means that agronomic and storage practices that can mitigate mycotoxin levels in Scotland are also unknown. Some trialling and testing of this has been carried out. But much more needs to be done before full dynamic alignment.

Scotland's uniquely challenging wet and mild weather is a risk factor for higher levels of mycotoxin MLs in oat crops. This could have a significant impact on biscuit processors, particularly those producing the iconic Scottish oatcake. Disruption to this important market for Scottish cereals, particularly if a 'cliff-edge' dynamic alignment results in some cereal biscuit manufacturers ceasing production, will be challenging for our members. A smaller, or no, market will result in a potential loss of income. Particularly if they divert supply to other, lower value, markets.

We want UK negotiators to ensure the UK can make 'technical adaptations' to the relevant EU regulations that reflect Scotland's uniquely challenging growing conditions. This would be consistent with the provisions allowing Member States to adapt regulations where they have unique circumstances. We also want to see an appropriate transition period that will enable Scottish cereal growers and supply chains to test and trial practices that can hopefully consistently lower mycotoxin MLs in cereals used for food and drink processing.

Veterinary medicines

Dynamic alignment on antimicrobial policy could result in livestock farmers being unable to use controlled metaphylactic and prophylactic use of antimicrobials, achieved under the review of the Veterinary Medicines Regulations in 2024. This potentially poses a challenge to animal welfare as it would limit the ability of vets to treat diseases.

The UK has a strong, ongoing, record of using antibiotics responsibly, Antibiotic use in food producing animals has decreased by 57% since 2014, and by 84% for critically important antimicrobials. Only seven EU countries have lower antibiotic use than the UK. Against this backdrop of existing low use, dynamic alignment runs the risk of negatively impacting animal welfare. Alignment should only be considered if there is evidence the UK is falling behind on its antimicrobial use stewardship, and so veterinary medicines should be out of scope of the negotiations.

Bovine identification

UHF- EID has been a Scottish farming industry ask for over 20 years. The use of UHF-EID technology, as opposed to the outdated Low Frequency (LF), can provide many benefits. Including improved health and safety, traceability, and animal health and welfare. These benefits can be delivered at a relatively low cost to farmers and the wider supply chain. If UHF-EID is not permitted these benefits will be lost, posing a challenge to the development of the Scottish beef and dairy sectors. The future of these industries relies heavily on data to manage herd efficiency and productivity, and to deliver against ambitious environmental goals. UHF-EID is a vital tool to deliver this.

EU regulations are silent on the use of Ultra High Frequency Electronic Identification (UHF-EID). It is currently unknown if its use will be permitted under dynamic alignment. Our interpretation of the regulation is that two matching visual ear tags on each animal is the fundamental identification requirement. We want the EU to recognise this principle.

Bovine tuberculosis

If GB dynamically aligns with on-farm bovine tuberculosis (bTB) regulations, then the lengthy period before movement restrictions can be lifted will be a challenge for the very small minority of our members in the south of Scotland whose herds become infected with bTB. As Scotland has maintained its Officially Tuberculosis Free Status (OTF) since 2009, these restrictions are disproportionate to the risk posed in Scottish herds.

An EU regulation prohibits the use of vaccines against bTB. If GB aligns with the EU's Animal Health Law, there is a risk that the ability to vaccinate for bTB (when a vaccine is developed) will be lost. We want agricultural businesses in GB to have the future ability to vaccinate, if it does not have trade implications.

Precision breeding

If gene edited crops cannot be grown in future in Scotland, then this could potentially pose challenges to crop production in a changing climate, with more extreme weather.

We are strongly in favour of gene edited crop varieties being made available to farmers in Scotland. We believe precision bred crop varieties are essential for growers in a changing climate, where varieties will have to be more resilient, and Scottish growers must adapt to more extreme growing conditions. Unfortunately, the UK's Genetic Technologies (Precision Breeding) Regulations 2025 do not apply in Scotland. We would like to see the Scottish Government follow the UK government's lead on gene editing policy.

We welcome the EU's agreement to establish a legal framework for crop varieties bred with New Genomic Techniques. We see future alignment on this as a great opportunity for Scottish agriculture. We would like to see an exemption from dynamic alignment for precision breeding regulations until New Genetic Technologies legislation is put in place in the EU.

7. Should the UK make a financial contribution to the EU or EU policies as part of its dynamic alignment agreements? Is there a level of contribution that would mean that such agreements do not represent value-for-money for the UK?

We do not have a position on this.

8. What are the implications of the three prospective agreements with the EU, and of the Government's general policy of dynamic alignment with the bloc, for the UK's trade relations with countries outside the EU—with respect especially to the United States, and the UK's membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)?

We do not have a position on this.

9. What issues does prospective UK dynamic alignment raise for the UK’s devolved administrations and legislatures? How should the UK Government and Parliament engage with the devolved administrations and legislatures in a system of dynamic alignment?

We want there to be a close relationship, with continuous dialogue, between the UK and Scottish Governments.

As described in our response to question 1, Scotland is different to the rest of the UK. We have a cooler and wetter maritime climate, most of our farmed land is in remote rural areas, with large areas of more marginal hill land. We also have important farming and crofting communities in the Western and Northern Isles reliant on ferries to move livestock to the mainland. As well as a lot of red meat production, Scottish agriculture has significant combinable crops, seed and ware potato, horticultural, dairy, pig, and poultry sectors.

Scotland’s unique geography and climate must be understood and considered by the UK government. Some aspects of dynamic alignment could potentially disproportionately impact Scottish agricultural producers across the broad range of sectors operating in Scotland.

Since the vote to exit the EU in 2016, the SNP Scottish Government’s position has been to align with the EU, with a view to Scotland becoming an independent nation and rejoining the EU as an independent Scottish EU Member State. Reflecting the willingness of the Scottish electorate to remain in the EU. This has meant there has been no active regulatory divergence for devolved policy. Indeed, Scottish agricultural policy is much closer to the EU’s Common Agricultural Policy (CAP) than to English agricultural policy. There were previously tensions between the Scottish and previous UK governments, when those UK governments were actively diverging from the EU.

There has however been some divergence, mainly in terms of reserved UK policy. Dynamic alignment will potentially pose challenges for some Scottish agricultural sectors, as described in our response to question 6. As Scotland is different, we want the Scottish Government to have the opportunity to shape EU policy, and we want Scottish Ministers to be involved in the UK-EU Inter-Ministerial Group.

10. What actions need to be taken and arrangements put in place—in legal, institutional and practical terms—before UK dynamic alignment under the three prospective agreements is operating fully and smoothly? How long might this process take?

As per our response to question 3, we want the UK Government to adequately resource technically qualified staff who can promote UK interests in EU Committees and engage with EU Commission policy teams.

We want the UK and Scottish Governments to work with us and other relevant stakeholders. We want to provide our technical and practical agricultural expertise at an early stage of policy development. We want the UK Government to put in place arrangements to effectively track prospective EU legislation and communicate relevant developments to stakeholders like us, and to the Scottish Government as they occur.

Transitional arrangements are essential. We must avoid a cliff edge situation when the agreement enters into force. This is necessary to minimise disruption to Scottish farming and crofting businesses and allow the agricultural industry to prepare for change.