

Submission

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NFU SCOTLAND RESPONSE TO EFRA'S CALL FOR EVIDENCE ON PRIORITIES FOR A UK-EU SPS AGREEMENT

- 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.
- We are submitting evidence because we want to highlight the Scottish-specific issues relevant to a UK-EU SPS agreement. While we welcome the economic opportunities that a closer trading arrangement will bring, we also want to highlight some of the potential risks that could affect our farming and crofting members. While we are keen that a deal is done, we do not want to see a rapid negotiation, where a deal is negotiated at any cost.

1. What is a realistic timeline for the negotiation and implementation of an SPS agreement?

We hope the agreement will be implemented in 2027. While we would welcome a quick conclusion, we want UK Government to ensure agreement negotiations take an appropriate amount of time for areas that could impact the devolved policy areas of food, farming, and the environment in Scotland.

For pesticides, we want to see an appropriate transition period for products that have authorisation in Great Britain (GB), but not in the European Union (EU), to ensure industry has suitable time for sale of existing stocks, and that farmers have suitable time to adapt and use up their stocks, to mitigate the risk of unauthorised substances remaining on farm.

We want seed potato trade to be addressed through technical discussions rather than through the SPS negotiations. If these discussions are part of the SPS negotiations, then they must be addressed without fail. The Scottish Seed Potato Classification Scheme (SPCS) is fully aligned with EU seed potato regulations, so there should be nothing to negotiate.

2. What opportunities and risks are posed by the introduction of dynamic regulatory alignment with the EU?

This response highlights Scottish-specific opportunities and risks.

Opportunities:

- Reduced cost and regulatory burden for pesticide manufacturers producing for the EU and GB markets.
- If GB can be utilised as a rapporteur in assessments of active substances, then this can increase overall capacity to assess substances. This could result in seeing more products on the market more quickly.
- More frictionless trade for perishable Scottish products, reducing the administrative burden of exporters, which will proportionately benefit smaller food and drink businesses. This could also enable more businesses to start trading with the EU. This should help grow demand for a range of Scottish produce.
- Seed potato export resumption to the EU (although as mentioned previously, we want this to be addressed through technical discussions rather than through the SPS agreement).

Risks:

Dynamic alignment poses some risks to the GB sector in terms of being bound by decisions that do not reflect the specificity of production conditions in the UK or the way the sector is organised here. It's important that UK officials have access to all the relevant decision-making committees, agencies and databases. NFU Scotland calls on government to already prepare for participation in the committees and agencies.

- The European Commission has proposed to amend EU welfare during transport legislation. This is expected to apply directly in GB under the future SPS agreement. The proposals are wide ranging but for Scottish agriculture, the following are of most concern: proposals to shorten journey times; introduction of maximum and minimum temperature provisions, and space allowances.
 - Proposals to shorten journey times both for slaughter and for reasons other than slaughter. The Commission's proposals would limit journey time to slaughter to 9 hours for terrestrial animals other than rabbits and domestic birds. Poultry would have a maximum journey time of 12 hours, and end of lay hens a maximum journey time of 10 hours, including loading and unloading time. This would be particularly difficult for producers across Scotland's remote areas and islands, with its large areas of remote rural livestock production. Revised legislation would impact all species but particularly pigs and poultry due to no, or limited, poultry and pig processing capacity, making these supply chains very fragile.
 - Introduction of maximum and minimum temperature provisions. The Commission's proposal to introduce maximum and minimum temperature provisions would be challenging. The minimum temperature requirements would be difficult to comply with in northern parts of Scotland in winter, particularly for end of lay hens.
 - Space allowances. The Commission's proposal to lower stocking density during transport would have major consequences for animal transport. Industry feedback in the sheep sector indicates that each lorry could carry around 30% fewer sheep under the proposals, leading to higher costs and more vehicles on the roads.
- Limits on mycotoxin MRLs (maximum residue levels) in oat products across GB could have a significant downstream impact on Scottish oat growers. We already ensure oat products meet EU mycotoxin MRL levels. But we will need a derogation for the GB market to reflect the challenging Scottish growing conditions and likely increases in mycotoxin levels as we move to more regenerative agricultural practices. There will be a need for a mycotoxin levels exemption for Scotland's growing conditions, which could be addressed through labelling.

- EU Animal Health Law (Regulation (EU) 2016/429) and subsequent EU legislation on identification of animals is expected to be in scope of the SPS agreement. EU legislation does not mention the use of UHF (ultra-high frequency) EID (electronic identification) of bovines. It is considered that, at present, the use of UHF electronic identifiers as an alternative to a conventional ear tag would diverge from current EU law requirements. In our view, this should not prohibit its use as UHF does not impede the visual reading of the tag (nor the reading of an LF (low frequency) EID. The UHF transponder is simply a tool to aid transposing the identity (ID) into an electronic reading device or database: the visual number printed on the tag remains the official identifier. Currently all bovine animals that are exported from Scotland and other parts of Great Britain (GB) to the European Union (EU) and Northern Ireland (NI) are re-identified with a new official identity of the country they are moved to. Therefore, it should be possible to permit the use of UHF in Scotland without affecting EU Member States' RFID (Radio Frequency Identification) setups. We want an agreement that enables us to continue to use UHF EID.
- Importantly it is the Scottish cattle industry (farms, livestock auction marts, abattoirs) that is calling for UHF. Widespread use of this technology can improve traceability, farm safety, and business efficiencies. By contrast, industry representatives have indicated they would rather retain visual-only IDs than move to LF-EID, since the latter is not well suited to cattle systems in Scotland.

3. How should traders, producers, businesses and policy makers prepare in sectors where regulatory divergence already exists or may emerge, such as in precision breeding, animal welfare and crop protection?

There is regulatory divergence between Scotland and England for gene edited crops. The Scottish Government has remained aligned with the EU on this issue. NFU Scotland would like to see a Precision Breeding Act in Scotland, and regulatory alignment between Scotland, England, and the EU would be welcomed.

There is a need for Scottish producers, businesses, and policy makers to consider the impact of the potential risk for shortened livestock transportation times. If there is regulatory change in the EU that introduces this, and this is part of the SPS agreement, there will be a need for some sectors to invest in processing infrastructure to strengthen supply chain resilience. Scottish policy makers should take a strategic public-private investment approach, considering the market failures of linkages in the supply chain, to address this potential challenge.

There is a need for the UK and devolved governments to have the power to make decisions on pesticide authorisations as needed to suit UK circumstances.

The domestic agrifood sector will need time to adjust to the divergence of regulation that has occurred since EU exit, notably on animal health, organic production and plant protection products. It's important that the government seeks to negotiate an agreement that facilitates the orderly transition of the GB sector to the EU rules in place and informs farmers and other actors in the supply chain of the changes that have occurred since EU exit.

4. How should the UK Government engage with industry stakeholders and devolved administrations to ensure the agreement aligns with wider agri-food and environmental goals?

We want the UK Government to engage with Scottish Government officials and the Minister regularly, paying particular attention to the issues we have highlighted. We, at NFU Scotland, along with the other UK farming Unions, want to have direct communication with the UK Government and Defra to know about the changes that will be introduced, and be willing to engage with us where choices have to be made. This co-operation should continue post-agreement with close and timely consultation with NFU Scotland and other stakeholders on decisions to be taken in Brussels so that we can feed in concerns and expertise.

5. What could the implications of an SPS agreement for trade and border controls be, including border infrastructure, resources, biosecurity, trade friction, growth and the treatment of imports from non-EU countries?

We hope the agreement will ease cross-border trade and enable the UK Government to prioritise resource on higher risk export countries, particularly for biosecurity risks. We want governments to be able to take emergency measures when there is a significant biosecurity risk. It's important not to mix legal with illegal imports. NFU Scotland calls on government to step up surveillance to detect and destroy illegal imports at the point of entry.

Export health certificates are a business cost, and an agreement can eliminate this cost. The bigger costs for businesses are administrative, and perceptions of complexity, uncertainty and delays are barriers to exporting Scottish produce. These costs and problems proportionately affect smaller businesses more.

6. How might an SPS agreement affect the UK's internal market, particularly considering regulatory divergence across the devolved nations?

We hope the SPS agreement will have a positive long-term impact on the UK's internal market. The potential for food, farming, and environmental regulatory divergence has been a post- EU exit issue. We think the SPS agreement has potential to better align regulations within the UK.

7. What impact could the proposed SPS agreement have on upcoming Defra agri-food and environmental strategies, such as the Land Use Framework, Food Strategy, Farming Roadmap, and efforts to improve farming profitability and sustainable growth?

Our focus is on Scottish policy, and these strategies are more English focused.