

BREXIT – The State of Play

October 2018



Your guide from NFU Scotland on the state of play in the Brexit negotiations and what to be prepared for

DEAL OR NO DEAL?

The Brexit negotiations formally started following the triggering of 'Article 50' on 29 March 2017. Under the terms of Article 50, the UK has two years to negotiate its exit from the EU. There are two aspects to the negotiations.

Legally-binding Withdrawal Agreement

- A legal text setting out the terms of the UK's exit on issues such as **citizens rights** and the **Irish Border**
- Will include the **'divorce bill'** which the UK will need to settle as it leaves the EU
- Will confirm the terms of the **transitional arrangement** which will run from 29 March 2019 to 31 December 2020. Recent speculation is that the transition period could be extended.

Political Declaration on the Future Relationship

- Non-binding declaration on future terms of the economic partnership, including EU/UK **trade**, frameworks for movement of **people**, and other policy and **regulatory frameworks**
- If the transition period is agreed, the UK and EU will be able to negotiate the terms of their **future relationship** during this period
- The Prime Minister's preferred 'future relationship' model includes a free-trade area and a common rulebook for agri-food goods. This is known as the 'Chequers' model

For a deal to be reached, the EU and UK need to agree on both of these aspects, and their respective parliaments need to vote to approve them, before **29 March 2019**.



DEAL OR NO DEAL, THIS IS WHAT WE KNOW

Irrespective of whether there is a deal or not, the UK and Scottish Governments have set out their intentions on a range of issues which will impact you.

	What are governments saying?	What has NFU Scotland done on this?
Agricultural support 	<ul style="list-style-type: none">• Leaving the EU means leaving the Common Agricultural Policy (CAP).• The UK Government has pledged to continue to commit the same cash total in funds for farm support until the end of this parliament, which is expected in 2022.• The Scottish Government has recently consulted on proposals for agriculture and the rural economy during a transition period between 2019-2024.• After this, a new domestic agricultural policy will be implemented in Scotland which will be determined by ongoing negotiations between the UK and Scottish governments on funding and powers.	<ul style="list-style-type: none">• NFU Scotland has repeatedly asked UK Government to clarify which schemes will be paid up to 2022, and to make a commitment to continue funding for agricultural support beyond 2022.• NFU Scotland believes that at least the same quantum of funding must be delivered to Scottish farmers and crofters after EU exit, and that there is a fairer basis for determining how funding is delivered across the UK. In autumn 2018 NFU Scotland hosted the Chief Secretary to the Treasury on farm to make these arguments.• After extensive consultation with members, NFU Scotland has developed a suite of proposals for a new agricultural policy in the document Steps to Change which is being presented to governments.
Regulation 	<ul style="list-style-type: none">• Legislation has been put in place which will 'copy and paste' all European rules and regulations into Scottish and UK law to take effect at the moment we leave the EU.• Therefore there will be no 'regulation bonfire' once the UK is out of the EU – and farmers and crofters must continue to comply with the rules.	<ul style="list-style-type: none">• Legal continuity will be necessary to ensure continued trade after Brexit, but NFU Scotland has long campaigned against elements of EU regulation that are ill-tailored to farming conditions in Scotland.• NFU Scotland's document Post Brexit Priorities for Legislative Change has identified some of the regulations which UK and Scottish Government should review after Brexit.

Access to workers

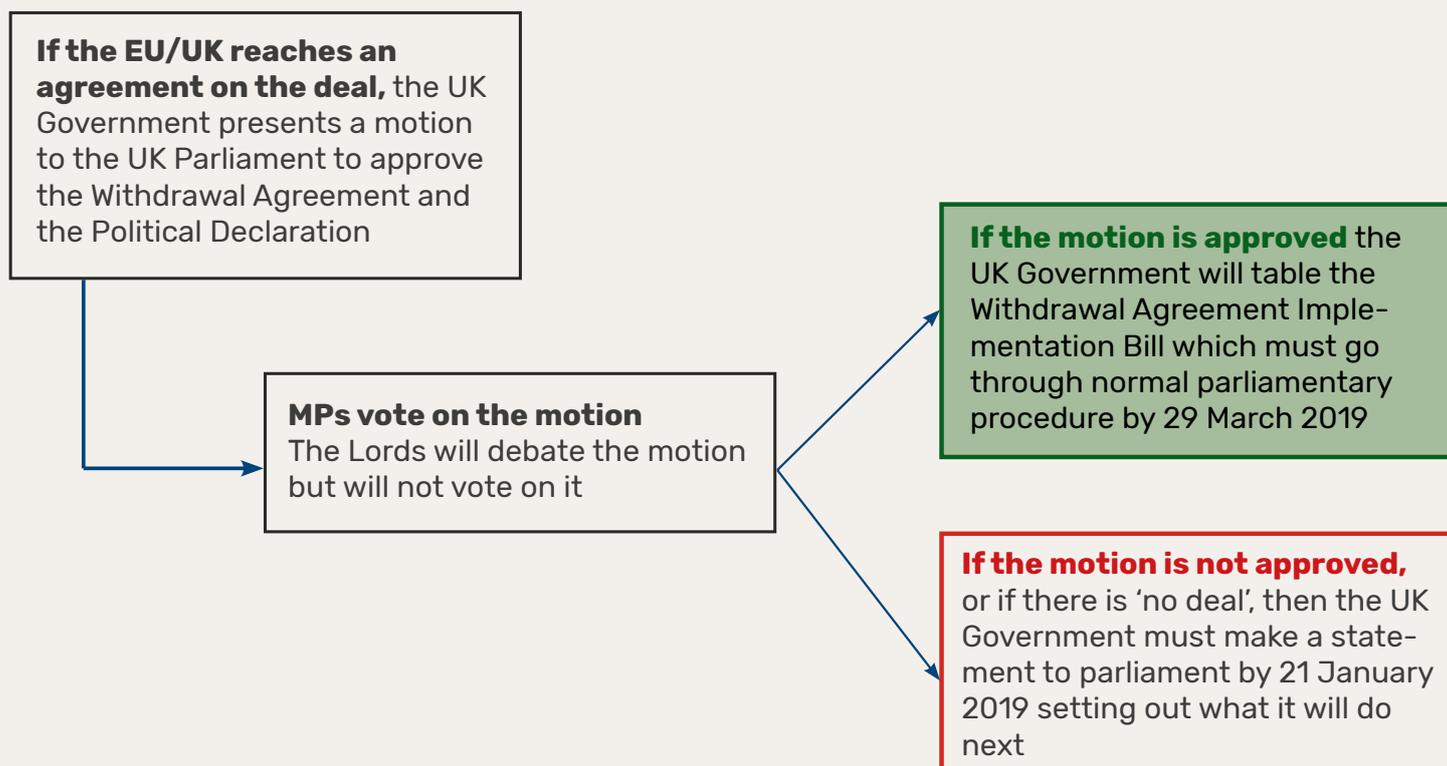


- A 'Settled Status' scheme has been established which will allow EU citizens living and working in the UK to continue doing so after 31 December 2020.
- A trial Seasonal Agricultural Workers Scheme has been announced which will grant 6-month visas to 2,500 non-EU workers to undertake seasonal roles in 2019 and 2020.
- A new Immigration Bill will be introduced in 2019 which will implement a new points-based system after Brexit. The system will be open to migrants from anywhere in the world, but will only be focused on those with 'higher skills'.
- UK Government is yet to make a clear statement on its intentions for a non-UK workforce in the case of no deal.
- NFU Scotland has written to the UK Government on multiple occasions calling for an immigration system which ensures non-UK nationals can work in Scotland in both **highly skilled and less skilled, seasonal and permanent positions.**
- NFU Scotland has lobbied intensively for a new **Seasonal Agricultural Workers Scheme** following labour shortages. The trial scheme is a start, but work continues to get a more robust solution in place.
- NFU Scotland has given evidence to various parliamentary committees and has met with the UK Government's Minister of State for Immigration.

What else has NFU Scotland been doing?

- NFU Scotland has consistently campaigned to ensure that **free and frictionless trade** with the EU is prioritised in any deal.
- Scotland's **world-leading standards** must not be undercut in any future trade deal with international partners. NFU Scotland continues to lobby the UK Government that cheaper imports produced to lower standards must not be allowed in to our country. Scotland's world-renowned **Geographical Indications** must also be maintained.
- 'No deal' could be catastrophic for Scottish farmers and crofters, the food and drink industry and wider Scottish economy and NFU Scotland has **pushed governments to ensure 'no deal' is taken off the negotiating table.**

Getting the deal through the UK Parliament



'No Deal'

If the UK and the EU cannot find agreement on the Withdrawal Agreement, or if the Agreement is rejected by either parliament, on or before 29 March 2019 then there will be 'no deal'. This means:

- The UK will become a 'third country' on 30 March 2019 meaning that there will be no transitional implementation period
- The UK's relations with the EU would be governed by general international law, including the rules of the World Trade Organization (WTO)
- Resorting to the WTO default would mean the imposition of tariffs on UK/EU trade
- Checks and controls would take place at the UK/EU border, which could result in lengthy delays and disruption to businesses

The UK Government has undertaken preparatory work in case the UK does end up in 'no deal' territory and has published a series of guidance papers which are intended to provide clarity to businesses on how to prepare if we don't get a Withdrawal Agreement with the EU.

View the technical notices online at: <https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

Next Steps

NFU Scotland continues to lobby very hard on the behalf of members. We need to hear from you on the issues that will impact you and your business.

Please feed in any comments or questions which you want your Union to give to the UK and Scottish Governments to: **brexit@nfus.org.uk**.

We encourage all members to make their views known directly to their MPs and MSPs. Find out who your local representatives are, and how to contact them, at: **www.theyworkforyou.com/**.

Your Union, Your Roadshows

Throughout November NFU Scotland will hold meetings up and down the country to hear your views on Scotland's future agricultural policy. The proposals in ***Steps to Change*** came after consultation with members throughout 2016 and 2017, and this is your opportunity to shape these further. We encourage all members to attend their local event and join the discussion.

More Information

- For briefings on the negotiations so far and how they could impact you, policy papers and analysis, visit the NFU Scotland website at: **<https://www.nfus.org.uk/policy/brexit.aspx>**
- The Agricultural and Horticultural Development Board has launched a handy tool which could help you understand more about the impact of Brexit on your business: **<https://ahdb.org.uk/brexit-fit-for-the-future>**

