



CC(19)920:1

Mr Michel Barnier
EU Chief Negotiator
Task Force on Article 50
European Commission
BERL Building
BE – 1049 Brussels

Brussels, 6th February 2019

Dear Chief Negotiator,

Copa and Cogeca, CELCAA and FoodDrinkEurope, on behalf of the entire EU agri-food chain, would like to commend the work that you and the EU team have done so far on the Brexit negotiations.

We would also like to thank you for your availability in meeting with us, and for the clear exchange in our conversations on 4th February.

We acknowledge the significant efforts of the EU and UK negotiation teams in securing the Withdrawal Agreement and finalising the Political Declaration. We believe this represents an important step towards an orderly Brexit and to ensuring trade between the EU and the UK in future remains as frictionless as possible. A swift conclusion is needed to the ratification process – as our sector will need a transition period to suitably prepare. We wish to further stress that a no-deal Brexit must be avoided.

Nevertheless, given the current situation and with less than two months to go before the UK leaves the EU, we would like to repeat our concerns. The agri-food sector is certainly one of the sectors most impacted by Brexit, due to its complex highly integrated supply chains, its just-in-time processing and its dependence on perishable products. In 2017, EU27 exports of agri-food products to the UK amounted to €41 billion while the UK exports to the EU27 reached €17 billion.

To mitigate the damage of a no-deal Brexit on the food supply chain, the agri-food chain calls on the EU Institutions to adopt unilateral contingency measures specific to this sector. More details and a full list of these contingency measures can be found in annex. Of course, undermining the Single Market should not be envisaged, even if pragmatic and temporary procedures must be prepared.

We will stay in contact with your services for more technical exchanges and remain at your disposal should you need additional information.

Yours faithfully,

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Celcaa Secretary General

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Annex

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Annex: contingency measures in the case of a no-deal Brexit

Faced with the current lack of clarity, our organisations have strongly encouraged operators to prepare for a no-deal scenario, and many are engaged in contingency planning. Nevertheless, the measures taken will not prevent significant disruption of supply chains in case of no-deal. It is also proving difficult for smaller operators to suitably prepare as they will be facing export procedure for the first time and they lack the required skills and resources. In this context, a number of areas should be addressed and **contingency plans should include the following:**

In relation to customs

- Foresee temporary facilitated procedures for EU agri-food products¹ that would allow the goods to be cleared at the premises of the operator;
- Adopt temporary measures allowing goods placed on the EU market before 30 March 2019 to continue being sold until goods are exhausted;
- Promote a pragmatic approach to enforcement by EU customs authorities for a determined period (e.g. 18-24 months);
- Coordinate efforts in capacity-building in Member States' customs authorities and in training for businesses, SMEs in particular, that will now operate at international level;

In relation to labelling

- Facilitate a smooth transition to label changes², by adopting temporary measures allowing for a grace period of at least 18 months, so that operators can build this into their current label update cycle and incorporate all changes at a single time;
- Clarify the legal obligation for "*establishing a business address*" in the EU. Indeed, UK operators exporting to the EU will need to replace the UK address with an EU address and EU operators exporting to the UK will need a UK address;

In relation to food safety and phytosanitary requirements

- Ensure an adequate coordination and information exchange on food safety and phytosanitary issues;
- Maintain the full access for the UK to the RASFF, EUROPHYT and the Administrative Assistance and Cooperation (AAC) food fraud system: this will be mutually beneficial for the UK and the EU, as it will enable to continue this sharing of intelligence on potential food safety and phytosanitary risks as well as fraud to help protect both the EU and UK markets;
- Ensure mutual recognition of SPS certification (food safety and phytosanitary) by the EU and the UK;
- Accelerate the process for recognising UK certification bodies as a third country certification body to certify organic products for export to the EU so that this is in place ahead of 29.03.19 for continued market access;
- Ensure an uninterrupted and coordinated control of excise goods across the borders by maintaining an open access for the UK to the Excise Movement and Control System (EMCS).

In relation to transport

- Ensure continuity of licenses to operate for EU haulers in UK and UK haulers in the EU for at least 18 months;
- Maintain harmonization of all regulations and licenses for drivers (hours, training, requirements, etc.) and trucks (MOT, vehicle weight limits, etc.) for at least 18 months.

¹ Covering all agricultural and processed agricultural products

² Including but not limited to Regulation (EU) No 1169/2011 on the provision of food information to consumers, Regulation (EC) 1924/2006 on nutrition and health claims made on foods and Regulation (EC) 1925/2006 on the addition of essential nutrients to food.

In relation to market disruption that will occur in agricultural markets

- Make structural and adjustment funding available to operators and develop supporting policies to address the negative impacts arising from changes in the relationship negotiated between the EU and the UK;
- Set Emergency Brexit Funds with sufficient budget to deal quickly with any unforeseen event. Trade promotion supports should be put in place as well;
- Foresee plans for the use of market management tools, in particular private storage aids for some products.

The impact of a no-deal will be immediate and harsh, therefore the EU agri-food chain is asking that the Commission be ready to act.

Geographical indications and denominations of origins are a key pillar of the European agricultural policy and a fundamental asset for the trade of high-added value foods. In case of no-deal, and until the UK establishes its own GI scheme, EU GIs will not be protected in the UK market. In this framework, support from the European Commission will be needed to help GI rights holders to protect their GIs under the general trade mark legislation and/or to submit their application for GI status under the future UK GI scheme.

The agri-food sector urges the Commission to **secure EU-wide solutions** by encouraging Member States' coordination and support, in order to achieve similar level of preparedness among Member States to **avoid trade flow distortions**. In particular, in case of non-compliance at borders, the Commission should ensure a level playing field for operators in dealings with customs' officials.

The exit of the UK from the EU without a deal will constitute a lose-lose situation for the entire agri-food chain. There is therefore an urgent need for time-limited EU contingency measures to decrease business risks associated with a no-deal Brexit and the UK must be encouraged to ensure reciprocity.

Finally, our sector would appreciate further coordination and communication from the concerned Directorates General, along with national authorities, in order to best prepare for all possible eventualities.