



FARMING AND AGRI-FOOD WHY THE NORTH MUST ACHIEVE SPECIAL STATUS WITHIN THE EU

May 2017



FARMING AND AGRI-FOOD – WHY THE NORTH MUST ACHIEVE SPECIAL STATUS WITHIN THE EU

Brexit will be a disaster for the people of this island. Brexit means border checks, it means the destruction of farming and barriers to trade, it means the Good Friday Agreement is put at risk, a loss of half a billion a year in EU funds for the North and it means more Tory cuts.

In June 2016 the people of the North voted to remain in the European Union. This is the position supported by the majority of political parties in the North and across the island.

Agriculture faces three key challenges from Brexit if Special Status is not secured:

- Major loss of funding including a loss of an average of £10,184 per farm.
- Costly barriers including tariffs, origin checks, more paperwork, physical border checks, two different regulatory regimes.
- Vulnerability to cheap imports.

There is also uncertainty as to the future status of the many thousands of EU nationals who are a critical part of the workforce in the agri-food sector in the North.

All of this can be avoided if we achieve:

- Designated special status for the North within the EU.
- A Free and Fair Trade Agreement rooted in equivalence of standards and mutual recognition.
- A transitional arrangement to bridge the gap between the Brexit and final agreement on a new British-EU trading relationship with phased implementation of new relationship.
- Maintenance of the rights of EU nationals to continue to live and work in the North.

TRADE

- We support a Free and Fair Trade Agreement rooted in equivalence of standards and mutual recognition, that guarantees both meeting the expectations of European consumers and protects long-established trade and processing routes.
- A transitional agreement should be put in place until such agreement is found.
- The Irish agricultural industry operates in a highly integrated manner with many sectors being completely all-island in nature. Barriers, of any nature on the island of Ireland, including tariffs, origin checks, import licence requirements, documentation and additional paperwork, physical border checks as well as the costs of complying with two different regulatory regimes would seriously disrupt long established all-island industries. A large number of products travel north and south for processing, slaughter and breeding every day which will have massive implications should no solution for country-of-origin labelling be found.
- The North of Ireland to be allowed to participate in the geographical indications (GI) scheme especially due to the fact that some GIs cover the entire Island;
- State aid limits should be extended. This should work to protect sectors affected by currency fluctuations as well as competing British imports that will benefit from a low CETs.
- It should be noted that reverting to the WTO scenario represents the worst case for the agri-food sector. The Most Favoured Nation (MFN) scenario will raise issues such as trade diversion, state aid rules and seismic shifts with regard to existing Tariff Rate Quotas. Such issues will put domestic producers in an even more precarious position following the negotiation by the European Commission of a number of recent comprehensive free trade deals.

STANDARDS

- Equivalent standards. must apply in terms of food safety, traceability, animal health and welfare. Divergence on rules currently being negotiated on Medicated Feed and Veterinary Medicines represent an imminent threat to the divergence of standards.
- The North should be allowed to participate in the EU's quality schemes since some geographical indications cover the entire island.
- Country-of-origin labelling needs to take account of the fact that a large number of animals are reared on one part of the island and slaughtered on the other, and another portion of products travel across the border for processing purposes. Unless the North achieves a Special Designated Status, these products will not be able to be marketed as 'EU products'. 'Mixed origin' labels are a major turn-off for consumers.
- A Mutual Recognition Agreement is also needed to allow products approved by an agency in one state to be sold and marketed in the other without additional testing.
- Strong regulatory cooperation on animal health and welfare standards are crucial to the free movement of animals on the island.

DIRECT SUPPORTS

- The European Commission should make full use of flexibilities provided under Article 219 of the Common Market Organisation Regulation (1303/2013) which provides for exceptional measures against market disturbances. A specific fund should be established through this Article that can react against significant price falls on internal and external market, where the situation is likely to deteriorate.
- The survival of sectors (such as beef) that have a high dependency on British markets should be guaranteed from an early point.

BUDGET

- The CAP budget should be maintained relative to the new reduced size of the EU. Farmers in Ireland depend on direct payments as a lifeline, with the small family farm still a prevalent feature of the social fabric of rural life. Commitments on spending must feed into current CAP 2020 discussions and be refocused towards small farmers. There are concerns that Brexit would reduce
- At present 87% of farm income in the North comes from CAP payments. In the south this figure is at 65%, though wide discrepancies exist with cattle rearing at 104%.

IT IS POSSIBLE FOR THE NORTH TO REMAIN PART OF THE EU

There is a long standing recognition at EU level of the special and unique circumstances that exist on the island of Ireland and support for the peace process and we believe it is possible to extend this to achieve designated special status for the North within the EU.

The European Union has many membership and associate membership models, so finding one for the north should not be too difficult if the voice of citizens is heard loud and clear in Dublin, Brussels and London.

The next step is for the European Council to support special status for the North and for it to be part of the negotiations for Britain's withdrawal.