

HFMA UPDATE

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Are we in or out, or halfway?

It seems like only two years ago that our country was looking for a definitive decision on which Prime Minister could lead us into the future. Given recent political events, this again appears to be in question. As politicians lobby their positions, the scary word 'Brexit' has come back onto our agenda as those who wish to rejoin and those to remain out jostle for position.

However, it is odd that this is being linked to current events, when for over a year, since May 2025, our government has been in negotiation on terms to 'dynamically align' with the EU and which we are being told is due to become law in 2027 anyway.

This is all under the rather surprising name of the SPS agreement. SPS stands for sanitary and phytosanitary controls, which are primarily regulations to protect human, animal, and plant health from risks associated with food, agricultural products, and trade. SPS controls and regulations historically address issues associated with cross border biological or health risks and help prevent the introduction and spread of pests, crop diseases, and invasive species, which could harm local ecosystems or agriculture.

In today's context, the SPS agreement being negotiated is being promoted to ease and generate all measures to save businesses cost, time, and paperwork, on exports to EU. It seeks to remove Export Health Certificates for animal and plant export, routine border checks on agri-food products, and reinstate some banned products back onto permitted export lists. It will also seek to redress issues



on movement of goods between GB and Northern Ireland to ensure the same products can be found on shelves across the UK. All positive things as industry generally welcomes simpler export requirements.

But what is not so clear is that the scope of this negotiation goes far beyond easing border issues but encompasses wholesale adoption, now termed 'dynamic alignment', of all EU regulations related to foodstuffs. To date, this agreement, as stated by DEFRA, will cover trade, production and movement of plants, animals and their products, food and feed safety, broader nutrition-related areas such as food supplements, fortified foods, food for specific groups, nutrition and health claims, and nutrition labelling; wider agrifood rules related to food labelling, organic, agri-food marketing standards and compositional standards, as well as regulation of pesticides and biocides. Complex areas, much of which brings with them inherent problems and issues.

If adopted, it is estimated this is likely to mean amendment of some 400 pieces of existing UK food regulation to dynamically align with Europe. In effect, adoption of this SPS agreement

could mean, through its effect, a reversal of Brexit and that UK becomes subject to EU food laws. Whatever its scope, it is expected to instigate changes to labelling of most products to comply with EU regulation. Additionally, since we are no longer members of the Economic Union, it puts in question how our UK Government will be involved in future planning processes on EU policy or future regulatory changes to foodstuffs that affect the UK. It is naïve to believe the UK can have any meaningful influence on EU policy as it is outside the EU. In future, it is more likely the UK may have as much influence as Norway or Switzerland has currently in influencing EU Policy, which is virtually nothing.

There are many issues about alignment which are not clear, such as the cost, transition periods, clarity on EU prohibitions and divergence, possible market distortion, supply chain changes, etc., all which could affect the national security of UK nutrition requirements. Additionally, once the outcomes of negotiations are concluded, it is not yet clear how government will fully engage with industry on possible

implementation and impacts of these negotiations before it becomes law, due for 2027.

Our government is providing regular update meetings to try and keep industry and trade associations informed. But throughout the negotiations, DEFRA has made it clear that any content of what is being negotiated will not be revealed or discussed until negotiations are concluded, to prevent any media speculation. The message from DEFRA is consistent that "It is our intent that the agreement will take effect in mid-2027. We want every business in the agri-food sector to start getting ready now. This includes those that do not currently trade with the EU. While the timeline is ambitious, the reward is worth the effort".

Industry's message to DEFRA is equally consistent that until industry knows what the SPS agreement contains, it cannot plan and invest. In recent, DEFRA guidance there is emphasis that DEFRA see the importance of reliable trade associations in communicating these changes, particularly for small businesses. The HFMA is keeping members informed and looking at means to reach non-members.

Brexit may have come back into our consciousness, but it appears discussions of our relationship with the EU may have occurred some time ago. The HFMA will continue to liaise with government in collaboration with all other UK food trade associations as to how this may ultimately look and impact us.

If you would like to know more about the benefits of membership to your company, simply visit www.hfma.co.uk, or contact me on 020 8481 7100.