



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Constitution, Europe, External Affairs and Culture Committee

**Thursday 20 February 2025**

**Session 6**



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**Thursday 20 February 2025**

**CONTENTS**

	<b>Col.</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>1</b>
<b>EUROPEAN UNION ALIGNMENT .....</b>	<b>2</b>

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**CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE**  
**6<sup>th</sup> Meeting 2025, Session 6**

**CONVENER**

\*Clare Adamson (Motherwell and Wishaw) (SNP)

**DEPUTY CONVENER**

\*Alexander Stewart (Mid Scotland and Fife) (Con)

**COMMITTEE MEMBERS**

\*George Adam (Paisley) (SNP)

\*Neil Bibby (West Scotland) (Lab)

\*Keith Brown (Clackmannanshire and Dunblane) (SNP)

\*Patrick Harvie (Glasgow) (Green)

\*Stephen Kerr (Central Scotland) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

David Baldock (Institute for European Environmental Policy UK)

Lucy Ozanne (Quality Meat Scotland)

Mark Roberts (Environmental Standards Scotland)

**LOCATION**

The Robert Burns Room (CR1)



## Scottish Parliament

### Constitution, Europe, External Affairs and Culture Committee

Thursday 20 February 2025

[The Convener opened the meeting at 09:47]

### Decision on Taking Business in Private

**The Convener (Clare Adamson):** Good morning. I warmly welcome everyone to the sixth meeting in 2025 of the Constitution, Europe, External Affairs and Culture Committee. Our first agenda item is a decision on taking business in private. Do we agree to take item 3 in private?

**Members indicated agreement.**

## European Union Alignment

09:47

**The Convener:** Our next agenda item is evidence on the Scottish Government's policy of European Union alignment. We are joined in the room by Mark Roberts, chief executive of Environmental Standards Scotland, and Lucy Ozanne, industry strategy and public affairs manager at Quality Meat Scotland, and we are joined online by David Baldock, senior fellow, common agricultural policy and food, at the Institute for European Environmental Policy UK.

I will start with a broad question. The Food and Drink Federation Scotland is not represented here today, but, in its response to our call for views, it said that

"It is still too early to fully assess how the Scottish Government's policy to align with EU Law will work in practice in the long term"

and that

"there are likely to be many areas of complexity, especially if the Scottish Government wishes to mirror EU law whilst other parts of the UK wish to take a different path."

What is your overall assessment on that issue?

**Lucy Ozanne (Quality Meat Scotland):** Good morning. On behalf of QMS, I thank the committee for the opportunity to contribute to this session.

"Complexity" is certainly the right word, and there needs to be a holistic view in balancing priorities and concerns. I will provide a bit of context. Red meat is Scotland's fourth-largest food and drink export in terms of sales value. Last year, there was significant growth of 12.8 per cent in that value, with it reaching nearly £145 million for the first time. However, volume has reduced—there was a 3.6 per cent reduction in volume.

In relation to the destination of exports, there has been a gradual diversification away from the EU over the past 10 years. Last year, EU countries accounted for 73 per cent of our exports, whereas they accounted for 89 per cent back in 2013. That said, we should not underestimate the value of those exports, as the European market still holds 85 per cent of that value. That could indicate that there is a strategic objective for exporters in targeting the EU as a premium destination and rebalancing the carcass through lower-value products. That is the export context.

Things can get a bit more complicated when we consider the United Kingdom internal single market. Sixty per cent of red meat in Scotland, in terms of sales value, was distributed to the rest of the UK. There is the constant free flow of goods between Scotland, England, Wales and Northern Ireland. Individual products such as beef, pork and

lamb can be sent down to be packaged before coming back up to Scotland to be sold and exported.

There cannot be any risk in relation to barriers to trade within the UK single market, so it is really important not to diverge from that while trying to align with the EU.

**Mark Roberts (Environmental Standards Scotland):** The extracts that you quoted from the Food and Drink Federation Scotland's submission encapsulate the situation really well. We are still in the early stages of seeing how the UK Government and devolved Administrations in the UK operate in the post-Brexit environment. The complexity is still being worked out in lots of different ways, so we are all getting to grips with what the internal UK landscape and the longer-term relationship with Europe will look like. Therefore, that characterisation is very accurate, because it will take a long time for all the moving parts of the system to settle a little bit following the UK's departure from the EU.

**The Convener:** I will bring in Mr Balcock.

**David Baldock (Institute for European Environmental Policy UK):** Good morning. Thank you for inviting me. Just to clarify, my name is David Baldock.

**The Convener:** I am sorry.

**David Baldock:** It is a common mistake.

We look particularly at the issue of legislative divergence and alignment, which is closely related to the mechanics of how the single market, the customs union and customs arrangements work. Since Brexit, there have clearly been some quite significant changes in the legislative landscape, and we are starting to see whether the UK as a whole and the different authorities within the UK are trying to stay in line with the EU. There is a bit of a mixed picture. It is very early days, as everyone has said. There are some clear examples of alignment taking place, and there are other examples of that not happening so much. That is going on in parallel to decisions on the details of how trade and customs inspections are regulated. As the quote that you read out underlines, it is quite a complex area with quite a lot of moving parts.

**Alexander Stewart (Mid Scotland and Fife) (Con):** Lucy Ozanne, you talked about the increase in red meat sales to more than £100 million, which is to be welcomed. Is that because larger firms have managed to adapt better by finding new markets or ventures? It would be good to get your reflection on what has been happening with smaller firms. Have they managed to make progress in navigating some of the difficulties resulting from barriers, obstacles or friction?

We have heard from other sectors that smaller firms have to employ more staff or that extra levels are being added to their bureaucracy or administrative costs, and that managing that has been relatively prohibitive for their progress. It would be good to get your view on that.

**Lucy Ozanne:** Absolutely, and that is exactly how we see the issue. For all exporters, there has been a considerable cost burden, an administrative burden and a slight risk burden. Fifty per cent of the official veterinary pool would have come to the UK from EU countries, and you obviously need OVAs in order to sign off things such as export health certificates, so that is a barrier. Export health certificates themselves are a huge cost burden to all businesses, and, as I mentioned, are an administrative cost as well.

Having said that, larger companies have been able to adapt and absorb some of that burden more easily. The bigger processors might have multiple sites, which allows them to consolidate volumes and products into single consignments to send over, whereas smaller traders would not necessarily be able to do that. They would have to go down the groupage consignment route, which is logistically challenging, particularly when that service is very limited in Scotland. Some of those small exporters will have stopped exporting and will have tried to find other markets or will have focused on a more domestic market instead. It has definitely changed the export structure of the businesses.

**Alexander Stewart:** Looking to the future, if those businesses have managed to align themselves or group themselves with another support mechanism that helps them through that, that gives them opportunities. Have larger companies taken over smaller companies to absorb them into that process?

**Lucy Ozanne:** There may have been instances of that. I would want to check on the exact answer and get back to you rather than just give you an assumption. On the ground level, as I say, it has definitely changed the make-up of that structure and the strategic focuses of businesses.

**Alexander Stewart:** Thank you for that. I will come back in if I have anything else to ask.

**Stephen Kerr (Central Scotland) (Con):** The data on our meat exports to the EU and to the rest of the world is very encouraging. The value of the exports seems to have risen exponentially over the past couple of years. What has happened there?

**Lucy Ozanne:** There has been an uptick in inflation of around 17 per cent, which reflects the value, but these are premium products that are being supplied to the rest of the world, particularly Scotch beef, Scotch lamb and specially selected

pork. They are recognised internationally as having premium quality and production standards.

**Stephen Kerr:** Despite the disruption that we have had with the pandemic, obviously, and our leaving the European Union and all the border checks and the paperwork, which we will come back to in a moment, that is a remarkable success story. What do you put it down to?

**Lucy Ozanne:** There are many factors at play. It cannot be underestimated that 60 per cent of that sales distribution value goes to the rest of the UK, which is an extremely buoyant market. There are global shortages of beef, so that demand is there. Different variables contribute in different ways.

On the other hand, it is all speculative, because the trade playing field between the UK and the EU is asymmetric. If that was to be more level, who knows whether those sales would be improved on?

**Stephen Kerr:** They could be even higher.

**Lucy Ozanne:** Yes.

**Stephen Kerr:** That underlines the importance of getting a sanitary and phytosanitary agreement, which would provide some smoothing in that area.

**Lucy Ozanne:** It would certainly ease the flow of goods. Moreover, there is a considerable biosecurity risk to UK producers from EU imports, which are subject to considerably less friction with regard to the ability to trade into the UK. If SPS regulations are equivalent between parties, there should be an ease of flow and, indeed, a reduction in the burden of checks on consignments. Such checks are causing considerable delays and, in some cases, product wastage, which, of course, incurs huge costs.

10:00

**Stephen Kerr:** Is there anyone here who can talk authoritatively about fish? Can you say anything about fish, Mark?

**Mark Roberts:** I am afraid not.

**Stephen Kerr:** The volumes and value of fish being exported to the EU and to the rest of the world are similar to those of other goods, but we will probably need to talk about fish separately on another occasion, as there is no one here who can answer my fish questions.

Moving on to regulation and competitive advantage and disadvantage, I am not sure which of you will be able to answer this question, but one of the issues for Scottish farmers is that they do not necessarily have all the tools in their toolkit that farmers in the rest of the UK and in the EU might have the advantage of. I am thinking, in

particular, of precision breeding and gene editing. Lucy, can you say anything about that? Would it be helpful if we were to give all the tools in the toolbag to our farmers, to allow them to compete on a level playing field and a profitable basis?

**Lucy Ozanne:** I cannot comment too deeply on precision breeding, because we do not cover the arable sector. However, there has clearly been a divergence in policy between the UK and the EU in that respect.

Post-Brexit, agricultural policy has been devolved to individual Administrations. I am not commenting on whether that is a positive or a negative, but it potentially creates a divergence between those Administrations in relation to production standards, regulations and so on. It adds another layer of complexity, to use that word again.

In some ways, EU alignment has put a bit of focus on the slight pressures and tensions in the UK with regard to divergence in the market, and a priority must be to ensure that those pressures and tensions do not threaten the flow of trade within the UK single market.

**Stephen Kerr:** So, the UK single market is your primary concern when it comes to the free flow of goods.

**Lucy Ozanne:** Yes.

**Stephen Kerr:** Because of the value.

**Lucy Ozanne:** Yes.

**Stephen Kerr:** David, do you have any comments on regulation and competitive advantage and disadvantage because of potential divergence?

**David Baldock:** I can make some general comments, if that is helpful.

On precision breeding, you are probably well aware that the EU is in the middle of quite an intense debate about where to go next with the legislation. There are quite a lot of differences between EU countries on all aspects of genetically modified organisms and genetic manipulation generally. It is quite a sensitive area, and it could affect the competitiveness of producers in different parts of Europe and the UK if you were to end up with different standards. I think that that is true.

As for most other environmental standards affecting agriculture, Scotland and other parts of the UK have, more or less, maintained the regulatory standards that were in place before Brexit; there have not really been any significant changes in that respect. However, as the previous speaker said, as we get divergence in agricultural policy, differences will emerge. Now that cross-compliance has been withdrawn from agriculture, alongside the phasing out of direct payments, for

example, we are going to get differences between different parts of the UK in that respect. Whether they will have any significant effect on the costs of production or on competitiveness is quite difficult to say, though. I do not think that there is a lot of evidence showing that at the moment.

**Stephen Kerr:** There are some producer sectors, such as fishing, that are keen—the Scottish Fishermen’s Federation is very keen—that we should have divergence, because they feel that that would give them a competitive advantage. Would you like to comment on that?

**David Baldock:** Yes, I am aware that that is the position of the Scottish fishing industry, and it might well have a point about that—I am not really an expert on fisheries. All that I can say is that there is also divergence on the environmental regulation of fisheries. We have seen the case involving sand eels, for example. Scotland and the rest of the UK banned sand eel fishing in our waters, and, as I am sure that you know, that is now being challenged by the EU. The case has gone to arbitration—it is the first arbitration case under the trade and co-operation agreement. That seems to be an example of the UK taking a more progressive approach to the management of fisheries and the management of the environment and getting some pushback from the EU.

**Stephen Kerr:** That is a very interesting observation.

May I throw seed potatoes at you as well? Scottish seed potato producers are in complete harmony with all the regulations that are required in order for them to have their products in the market in the EU, but the EU has, for some reason, refused to grant equivalence. What is going on there?

**David Baldock:** I am afraid that I do not know. It is quite a long-standing issue, and I am afraid that I am not up to speed with the details of it.

**Stephen Kerr:** Mark Roberts, do you have any information on seed potatoes?

**Mark Roberts:** Similarly, I am afraid that we have had no engagement with that discussion, so I am not able to comment.

**Stephen Kerr:** If I may test the convener’s patience further, I would like to ask about border controls in relation to regulation. The whole regulatory framework hangs on the control of the flow of goods and border checks. Since we left the European Union, our products, as was mentioned earlier, have been subject to border controls, but we have not applied the same rigour to border controls for EU products coming into the UK. What is your take on that, Lucy Ozanne? The sector would want to see that implemented, would it not?

**Lucy Ozanne:** Absolutely. We are three years behind in implementing checks on products coming into the UK, and, even then, the Dover Port Health Authority is reportedly operating at only 20 per cent. Spot checks have uncovered a considerable amount of illegal meat coming into the UK. I think that about 37,000 tonnes of imported illegal meat was found through spot checks in 2022-23. That figure has since increased to 73,000 tonnes. Particularly given the unfortunate health environment in relation to African swine fever and foot-and-mouth disease in Europe, the risks that that poses must not be underestimated.

As you say, the situation is asymmetric, given the consignment checks that UK exports are subjected to, which, as I mentioned, cause considerable delays and create an extra level of bureaucracy and burden, despite the fact that we have the same SPS regulations in place.

**Stephen Kerr:** That leaves us in a difficult position if we want to improve the SPS arrangements and smooth out the terms of trade. We are not implementing the agreement that we reached five years ago on border controls. Perhaps I can ask David Baldock this question: are we in breach of the agreement by not introducing border controls? Does that imperil our regulatory arrangements with the EU?

**David Baldock:** I do not believe so, but Lucy Ozanne probably knows more about that than I do.

**Lucy Ozanne:** Whether or not we are in breach is something that we would have to look at in more detail. Again, though, we cannot underestimate the complexity of the situation. There is a need for an SPS agreement, but there are different ways of doing it. For example, Switzerland has a very different system from the one that is in place in New Zealand, but both of them seem to be positive. Could, say, the Windsor framework agreement that we have with Northern Ireland act almost as a template to give us that ease of flow of goods and a sort of fast-tracking system? Again, the details would need to be looked at.

One of the main complexities is that, since Brexit, we have set up our own bodies, statutory committees et cetera to carry out, or impose, some of the regulations that were previously centralised within the European Commission. In looking at an SPS agreement, all those bodies would have to be looked at to see how they were aligning, as would the checks, balances, processes and protocols that it would encompass. The top line, though, is yes, it would be of extreme value to the industry to have that in place.

**Stephen Kerr:** There is a great deal of compliance with the regulatory framework that we and the EU operate within, is there not?



**Lucy Ozanne:** Yes.

**Stephen Kerr:** So, when it comes to the ability of businesses to export into one another's markets, those border controls ought to be manageable on the basis of the Windsor framework agreement, as you have said. I am just trying to think what the complexities are that are stopping us from smoothing out this SPS agreement.

**Lucy Ozanne:** One reason is that, even since the border target operating model has been brought in, that asymmetry does not give the UK a lot of leverage. There is not necessarily a lot of—

**Stephen Kerr:** No, we do not have a good negotiating position.

**Lucy Ozanne:** Relatively speaking, things are not frictionless for EU imports, but there is less friction—there is not a neutral playing field. I think that that plays a part.

**Stephen Kerr:** David Baldock acknowledged that our negotiating position was pretty weak, because of our lack of appliance of border controls. Do you want to amplify your thoughts on that, David?

**David Baldock:** It was not so much that I was thinking that our negotiating position was weak in that respect, although I do not think that that helps. More generally, the UK's negotiating position is not tremendously strong at the moment, because the EU can say that it has concerns about compliance with the existing TCA, and it is in an economically strong position. I think that a lot of people in Brussels see the UK as wanting concessions in areas that might or might not benefit the EU, so it might be necessary for the UK to make it clear what it brings to the EU, as well as what we would like in order to facilitate trade, which we think would be advantageous to us. There has to be an offer there, and it is not always 100 per cent clear what the UK offer is.

**Stephen Kerr:** And the EU's price will almost certainly be regulatory lockstep and access to fishing waters.

**David Baldock:** Access to fishing waters will definitely be an issue.

**Stephen Kerr:** Mark, I am conscious of the fact that we have not heard enough from you in this conversation. Is there anything that you would like to add?

**Mark Roberts:** I am afraid that I do not have anything to add on the agricultural and fishing dimension, given the remit of Environmental Standards Scotland. I am sorry.

**Stephen Kerr:** That is okay. Thank you.

**The Convener:** I call Keith Brown.

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** I am looking at some of the figures that the committee has in relation to fish. I know that we do not have any fish experts here today, but there seems to have been a pretty dramatic reduction in the non-EU figure; it has more than halved, I think, since 2014. In fact, if you strip out inflation, the total is negligible. The picture for red meat seems to be better.

Given the discussion that we have had about border controls, which, of course, the UK Government has never bothered to have in recent years, how can they now be portrayed as smoothing out trade? I understand the rationale for UK producers feeling at a disadvantage—after all, they have to comply with the controls—but border controls are, in themselves, an added barrier to trade and an anti-free-trade measure.

10:15

However, my question is about divergence and innovation, as two sides of the same coin, and whether either the Scottish Government's policy of alignment or the constraints of the United Kingdom Internal Market Act 2020 might inhibit innovation. I do not know who would innovate a piece of red meat, to be honest, although I presume that production methods and so on are susceptible to innovation. Are you aware of any areas of innovation that might be being stifled, or would you not know about the absence of innovation if, for example, it was something that was just taken off the table by either the internal market act or the Scottish Government's determination to align with the EU?

I will turn first to the person with the most puzzled look on their face. *[Laughter.]* Lucy Ozanne, does the internal market act or the alignment policy inhibit innovation?

**Lucy Ozanne:** There might be some examples, but I cannot think of any instances of innovation specifically being inhibited. Although it is not agrpolicy itself, what comes to mind is the fact that divergent policies have come into place in other areas that affect agrifood matters, such as in relation to packaging, single-use plastics and deposit return systems, so there is divergence in ancillary industries. EU alignment could cause another level of complexity. I do not know about innovation, but there is certainly divergence in the operating environment.

**Keith Brown:** The deposit return scheme was an innovation that was ruled out by the UK Government.

Mr Baldock, do you have any ideas on whether innovation is being stifled, or is that not really noticeable?

**David Baldock:** It is a very fair question, but I am afraid that I do not have any examples.

At the bigger picture level, I would say that the EU is committed to taking forward the whole circular economy approach. That is about waste management at one level but also about repurposing and closing cycles, which will entail a lot of product innovation and, probably, product chain innovation and new ways of doing things. If, over the years, there is a persistent gap between UK legislation and EU legislation on the circular economy—there may also be different approaches in Scotland and in the rest of the UK—you might have less incentive for some of the innovations in the UK, although the situation might not directly inhibit them. That is a bit of a danger that I see ahead, if we get really out of step with the whole development of the circular economy.

**Mark Roberts:** I will add to what David Baldock said. We now have the Circular Economy (Scotland) Act 2024. The development of the wider circular economy is going to be very complex and there will be lots of innovation in an attempt to satisfy that need. As I said in answer to the convener's first question, this is going to be a really complex area to negotiate if we are to take the best learning from Europe and internationally more broadly and to then apply that in the context of the UK settlement as it currently operates. I go back to my previous answer and say that we are very much in the foothills of this, and the circular economy is probably one of the areas where that complexity is going to become very visible.

**Keith Brown:** I have a comment to make, which the witnesses might have views on. This is not how Brexit was meant to be, is it? We were sold the idea of fantastic free trade and all the trade deals that were going to happen.

Instead, three or four years on, there are no border controls and, as Mr Kerr and others have pointed out, we are in a very poor negotiating position for the future. I think that fishing rights will be the big thing that people will be coming after. The fact is that Brexit has not really given us the green and pleasant uplands that we were sold. I suppose that you guys have to operate within the framework that you have, but do you have any comments on how things are turning out?

**Lucy Ozanne:** At one time, there were real concerns that the lamb industry would be decimated, whereas, in fact, we have seen real strength in that sector. Sometimes you can forecast things, and then other variables come into play. Since 2020, a raft of macroenvironmental instances or scenarios have arisen that have had

direct impacts that we would not necessarily have foreseen. You can forecast something in isolation, but variables and other factors will arise along the same timeline, which are not always easy to factor in until you are actually doing these things.

I agree that the industries have certainly been resilient and have managed to adapt, but, again, that has not come without a lot of cost. Moreover, each time that something happens, it slightly threatens a sector's sustainability; after all, you can be only so resilient. Since 2020, we have had such a disruptive operating environment—not just with the EU—for lots of different reasons, and businesses have continued to adapt. Therefore, a real priority would be to try, as far as possible, to make the operating environment stable and smooth, because that would allow businesses to really flourish and plan long term, as far as possible.

**Keith Brown:** If witnesses have no other comments, that is fine for me.

**The Convener:** I will bring in Patrick Harvie, who is online.

**Patrick Harvie (Glasgow) (Green):** Thank you very much. Can I just double check that I am unmuted?

**The Convener:** Yes, you are.

**Patrick Harvie:** You can hear me—that is great. Good morning.

I was not going to get into the policy detail of individual examples of divergence, because it is probably for other policy committees to decide what is the right or the wrong thing to do with some decisions. However, on the overall policy of alignment it seems to me that we have a little bit of a presentational paradox, in that we have always known that some degree of divergence would start to emerge. The longer it goes on, the more it feels that it is a little odd to call it a policy of alignment, given that more examples of divergence are appearing.

However, if we ignore the presentational oddness, it seems to me that we have a policy that seems to be working more or less as intended. It is not hugely rigid—it does not say that we must have alignment to the greatest possible extent in every case, and it does not say that we must have divergence at every opportunity. It does not always place the emphasis on the economic interests of industry, and it recognises that regulation is often intended to achieve social or environmental benefits by constraining harmful things that markets might do. Indeed, that is one of the reasons why we want high-quality regulation.

However, the policy also allows the Government to make decisions on a case-by-case basis.

Therefore, do you think that the policy, in its overall operation, provides the necessary flexibility, and do you agree that a more rigid approach in either direction would have harmful consequences?

**Mark Roberts:** I will come in on this question, having not said very much so far.

I think that the policy, as stated, which is to maintain alignment where that is appropriate and where there are benefits for Scotland, gives a sensible degree of flexibility and an opportunity to adapt. From our point of view, the EU has been a major source of environmental legislation and standard setting down the years, and that has been, and continues to be, really important.

The focus of our attention is on ensuring that there is no divergence that reduces environmental standards or protections. We would always encourage the Scottish Government to look at whether new legislation or policy in Europe contains something that would potentially be beneficial in the Scottish context and, if it would not, to explain why. I think that that is probably a sensible balance to strike. If there was an element that people could react to—a signal—that could at least start a discussion. I agree with you that, at the UK level, that would be helpful.

We have a duty in our remit as an organisation to have regard to international developments in environmental protection. That duty is international and global, and we try to look at that scale, but Europe will always be an important element of that. A strand in all the work that we do is to examine the extent to which there is a European context. There are developments, and new legislation is coming out of Brussels. We know that the European green deal, which contains a huge raft of legislation, is still progressing. It is a real task for the Scottish Government, and us, to keep on top of that.

**Lucy Ozanne:** I agree with Mark Roberts. Any measures need to be proportionate and appropriate to the context that they are being applied to, and we must not just take a blanket approach for the sake of taking a blanket approach, which is obviously not what you are suggesting. The Scottish red meat supply chain contributes hugely to the value of local economies and the national economy, and to public health and the environment, so anything that would cause that industry in any way to retract from that needs to be avoided. However, that is not to say that in some cases it is definitely appropriate to apply some measures to enhance the areas that I mentioned for Scotland as a nation.

**David Baldock:** I completely appreciate that it is helpful for Scotland to have flexibility, as you say, but we are seeing progressively more

divergence, and there will be consequences from that. I am not sure that we talk enough about the pros and cons of the various actions. There is not always a very clear debate in the UK or in Scotland about whether it matters that we are getting out of step in some ways. What are the pros and cons, and what are the long-term consequences? For example, there is significant difference in how we regulate chemicals: over time that could have considerable impacts.

The danger is that we will, because many divergence points are incremental and there are changes coming along, underestimate the cumulative impact and will not necessarily know what their full consequences will be. There could be advantages in some cases of having a more proactive stance of saying, “We will align in certain areas unless there are good reasons not to,” such as in product standards. There might be good reasons not to; one certainly would not want to rule that out. There might be product standards in the UK that are more ambitious or which are just much better suited to conditions on this side of the channel and therefore have strong advantages, so one would not want to be overly doctrinaire.

However, the danger of not appreciating that certain standards are changing and affecting all the companies in a supply chain is real, so although the current policy in Scotland provides flexibility, it could be helpful if it had a bit more focus and there was a bit more active discussion of the issue, so that Scotland’s interests were clear.

**Patrick Harvie:** I take that point, but if you will forgive me, I think that that is a stronger argument for saying that there ought, across all the UK’s Governments, to be a shared approach in order to achieve maximum alignment, unless there is particular reason to diverge, and for saying that what you are seeking would be better achieved or better accomplished by taking, in the other parts of the UK, a similar approach to the Scottish Government’s approach.

**David Baldock:** Yes, it would be better if other parts of the UK, especially the Westminster Government, had a clearer approach. When there is a major piece of EU legislation that will clearly affect stakeholders in the UK, we would like the Government to publish an analysis so that everybody in all parts of the UK could see what is happening and be aware of any consequences.

10:30

**Patrick Harvie:** The cumulative impact issue that you raised will also be affected if the threat of a trade deal with the US continues to loom on the horizon, thereby opening UK markets to products that are produced in a much more deregulated

fashion, which would create pressure in this country for further divergence from environmentally necessary policy.

I want to ask you about the European Environment Agency, because your written evidence suggests that there might be benefits from the UK being a member of that body, even though the UK is not a member of the EU. Will you unpack that a little bit? What do you see as being the attractions of being in the EEA for other non-EU member states, and what would be the opportunities if Scotland or the UK were to become a member?

**David Baldock:** Yes—we suggest that that could be advantageous. Membership would be much less transactional than some of the things that we have been talking about in relation to customs control. That would be more about sending a signal that the UK wants to see itself as being part of a bigger European family—it would address environmental issues that are largely shared using data; the UK is an important source of environmental data and has a lot of expertise in that—and wants to stay inside that family to foster contacts. Scotland has been one of the most proactive parts of the UK in participating in European debates and fora, and it might, through seeing best practice and not feeling left on the sidelines, gain from having interlocutors in other parts of Europe.

I do not think that we would argue that immediate changes in policy would stem from joining the EEA. It would be a clearer signal of our having European ambition and of our understanding that such things need to be done together and that we can learn from one another. It would provide a showcase for what happens that is successful in the UK.

**Mark Roberts:** I will add to that. The European Environment Agency is a fantastic source of data on environmental quality and performance in Europe. We are in contact with the EEA on specific pieces of work, an example of which is our on-going work on invasive non-native species. We need to understand the wider European context for that, because there is movement of non-native species across borders. Therefore, at the operational level, we have informal contact with the EEA.

**The Convener:** Geopolitically, there has been a huge change in attitudes in the past week or so, and things are becoming very different. Can you envisage a time when the ecological and environmental issues that are key in Europe at the moment might become less important? Can you see policy divergence that would lead to problems in the future, should the UK decide to take a less restrictive view?

**Mark Roberts:** I hesitate to peer into a crystal ball at the moment, but I envisage that there might be less emphasis on environmental and climate issues, given the wider geopolitical pressures that you have identified. The reality is that the need to address climate change and to adapt to the changing climate is pressing. We know that the pressure on nature and biodiversity continues to be very acute across Europe, so those things need to remain on the agenda, but they will have to compete with economic security and other pressures, and I see risks in the longer term for that.

**Lucy Ozanne:** There does not always have to be an either/or situation in which, if you have an agreement with one country or group of countries, that immediately eliminates another agreement. I am thinking of the comprehensive and progressive agreement for trans-Pacific partnership, or CPTPP. New Zealand is part of that and also has a trading relationship with the EU, with lower barriers. We have joined the CPTPP, despite Canada having different objectives to us on hormones and beef production: we have managed to hold our line on that.

It always comes down to where the red lines are for each country, but that is not to say that things cannot be negotiated for each country's objectives.

**David Baldock:** We are seeing some pushback in the EU against some of the more ambitious agendas. That stems partly from change at the European elections last year, in which some political parties did well, and partly from developments in the US. You mentioned what has happened in the past couple of weeks, which has accentuated concerns about that. We have very strong messages from Trump about the direction of travel in regulation and so forth. I think that that issue will apply in the UK, as well.

That said, earlier in the week, I happened to be in Brussels at a meeting with a lot of people from the food industry, and many of them said that, whatever we are hearing about at the moment, including the US withdrawing from the Paris agreement, which is quite a big deal by any measure, the climate challenge is real and is not going away. It is understood and embedded in institutions throughout the US, as well as on this side of the Atlantic. Many people in private companies do not see it as being helpful to backtrack suddenly on climate ambitions.

The climate challenge is a scientific reality. There will be high tides and low tides, but the underlying arguments for having to change the way that we operate our economies in light of climate change are not going to melt away in the face of those challenges.

**The Convener:** Thank you.

**George Adam (Paisley) (SNP):** Good morning, everyone.

Lucy Ozanne said that some small producers in the industry that she represents have just given up exporting to the EU, that some are finding it difficult and that others are finding other ways to make things work. What are they doing? Most businesses in Scotland are small and medium-sized enterprises. How are they making up for the loss of revenue?

**Lucy Ozanne:** Obviously, it is all about carcase balance. The process has been described as the opposite of building a car, in which you start with the small parts and build it up. We start with the big parts then break them down, so it is about finding markets for all the different components. As I mentioned, demand for beef in particular is going up in the UK, and supply is going down not just within the UK but globally. There is demand. It is just about putting in the supply chains to meet the demand in different areas.

**George Adam:** Some small businesses are no longer exporting or have just given up. How are they getting on and moving forward?

**Lucy Ozanne:** They will be finding different markets domestically to sell products into.

**George Adam:** That is not as guaranteed as business that has been on-going. Business in general is about relationships with people who you have been working with for a long time. I do not understand the ins and outs of your business, but at the end of the day, when a business has to look at another market, that is a burden that it could do without, especially when it is trying to get by with all the other challenges that we are facing.

**Lucy Ozanne:** Yes—the issue will certainly be causing another level of disruption.

**George Adam:** I am looking for more detail on what you said about larger businesses. You said that they are consolidating products into single consignments to try to make things work and that they are thereby able to absorb the burden.

**Lucy Ozanne:** Yes. Bigger organisations might also have multiple sites and produce multiple products, so they can consolidate those into one larger consignment across multiple sites.

**George Adam:** What were the 2023 figures that you gave for Scottish red meat exports to the EU?

**Lucy Ozanne:** The total export value—not just to the EU—was nearly £145 million, and 85 per cent of the value of that was in exports to the EU.

**George Adam:** The EU is still a major part of your market.

**Lucy Ozanne:** Yes. That market is for the more premium products because they command, on average, about £2 per kilogram more than other products. Businesses then rebalance the carcase through selling to the lower-value product markets outside the EU.

**The Convener:** If there are no further questions from members, I would like to ask about the regulation and regulatory bodies that sit outside the EU. For example, British Standards is still involved in the regulation of electrical products, and there are organisations that are based in Switzerland, so there are examples of regulatory standards across the UK and Europe still being dealt with in a pan-European way. Would there be any advantages in some of those bodies taking part in regulatory arrangements or joining regulatory bodies in Europe? If so, can you give us examples of what those might be?

**Mark Roberts:** I can speak only for the environmental sector, but the UK, as the contracting party, and Scotland, as a component part of that, are participants in agreements to protect the marine environment in the north-east Atlantic. There is the Convention for the Protection of the Marine Environment of the North-East Atlantic—the OSPAR agreement—and, with regard to access to environmental information and access to justice for environmental cases, there is the Aarhus convention, which is another long-standing international agreement that the UK and Scotland have been party to. Those things remain an important bit of context for the environmental regulatory system in Scotland as a whole. It is a matter for the Scottish and UK Governments whether to expand those systems further, but there are existing structures that continue to be very relevant.

**The Convener:** Lucy Ozanne, some of the evidence that the committee has taken indicated that, until UK border controls increase and importers from Europe to the UK start to feel some of the barriers and tensions—until the pain is felt on both sides, if I can put it that way—progress on SPS agreements will kind of be in abeyance. How does your industry feel about how it might impact trade the other way, without some of these issues being addressed? We hope that they will be addressed fairly rapidly.

**Lucy Ozanne:** Do you mean with regard to exporting?

**The Convener:** Yes.

**Lucy Ozanne:** As we have spoken about, the industry has restructured itself with regard to exporting, and, as long as no other barriers or obstacles are added, that will probably remain the status quo.

There is a slight level of unfairness, which is by the way with regard to whether or not you can export, in that the UK has higher animal welfare standards than the EU. For example, the UK has just brought in a ban on the live export of animals for slaughter. In the 1990s, the UK banned sow stalls, and, although that is being phased out elsewhere, it is still going on in places such as Denmark, which actually accounts for 25 per cent of pork imported to the UK. With regard to export and how that might continue, unless there are any other barriers or obstacles coming down the line, the industry seems to have restructured, for now, and, we hope that it will continue as it is.

10:45

**Alexander Stewart:** Mr Roberts, you have talked about developments and alignments in the process. If Scotland is to keep pace with developments in environmental laws as well as maintain alignment with EU standards, there might have to be frequent amendments in that respect. As we know, we get a tsunami of things regularly from the EU, but things will become more difficult if we are trying to keep that alignment. How do you see that developing? Is it going to be a problem?

**Mark Roberts:** With time, it will potentially become more and more of a problem. As I mentioned in answer to an earlier question, the green deal has, understandably, an awful lot of environment-related legislation within it, and assessing that legislation and seeing whether it will be the right thing for Scottish interests will be a really major task for the Scottish Government—and ultimately for the Parliament, if legislation emanates from it. I cannot quantify exactly when things will happen, how much there will be and those sorts of things, but I think that there is potential in that respect. It is a really big task, and it is really challenging for the Scottish Government.

**Alexander Stewart:** In that case, do you think that we have the capacity to achieve that?

**Mark Roberts:** Again, you are slightly asking me to speculate. The European Commission is very big and well structured and is very used to producing an awful lot of legislation and that sort of thing, while the capacities of the UK Government, and the Scottish Government, are less able to deal with that. Again, I come back to the word “asymmetry”; there is a bit of asymmetry there, so there might be a real challenge in managing the flow. That is why I think that the flexibility in the policy is quite sensible, as long as, from our point of view, there is no diminution—and, ideally, there is an increase—in environmental standards.

**Alexander Stewart:** Thank you.

**The Convener:** I have a final question for James. In your evidence, you specifically talk about the EU nature restoration law that is coming forward and which is, as you say, very “ambitious”. Can you elaborate a little bit more on that? Yesterday, we had a debate in which Lorna Slater, one of the Green members, talked about the environmental issues as being either a ceiling or a floor. Either you are levelling up to the EU, or you are going beyond it, while still maintaining an advantage. Can you say a little bit more about the nature restoration law and what might be achievable from a Scottish Parliament point of view?

**Keith Brown:** I think that you called David “James”, convener.

**The Convener:** I am sorry—I meant David. [*Interruption.*] My apologies—that is twice that I have got your name wrong. That is really bad convenering.

**David Baldock:** It is fine.

The EU nature restoration law is a new piece of legislation. It is the first major piece of substantial nature conservation law in the EU for several decades, and it is looking at finding a coherent approach to nature restoration up to 2050.

The law was debated in a lot of detail before it was agreed—it was a controversial measure. It represents an interesting mine of experience, and it contains an interesting collection of different measures, some of which might be quite relevant to Scotland. It is trying to put the emphasis very much on restoration, with legally binding targets to restore marine and terrestrial areas by 2050. There is a long-term target of restoring all ecosystems in need of restoration by 2050, with specific targets for terrestrial and marine systems and a number of individual ecosystems, including agricultural systems, where we have had quite a lot of decline in biodiversity throughout the UK—and, indeed, throughout Europe.

Therefore, it offers some helpful ideas with regard to setting longer-term targets at an ecosystem scale, with marine as well as terrestrial areas very much taken on board. When Scotland finds itself in the process of setting up, say, a once-in-a-generation piece of biodiversity legislation, it would be worth looking at how the nature restoration law works. Of course, where marine is concerned, there are common European interests and overlapping areas of habitat that are important for species on both sides of the channel.

We are suggesting that that is legislation on which Scotland is moving ahead anyway, and it is worth looking, therefore, at the different elements of the law and how they are being implemented. For example, individual member states will be required to produce their own plans, so you will

have the opportunity to look at those plans and see how those states are taking things forward. It will provide a big reservoir of new experience.

**The Convener:** Thank you. I think that we have exhausted our questions. Is there anything else that anyone wants to add before we go?

**Mark Roberts:** Just to say thank you for this opportunity.

**Lucy Ozanne:** Yes—thank you.

**The Convener:** I should say in my defence, David—you are not in the room, so you cannot see this—that I am as far away from the monitor as I can be, and I cannot read your name on the screen. I will feed that back to my clerks, because we have lovely big nameplates for our other witnesses. Again, my apologies.

On that note, I close the public part of the meeting. Thank you very much for your attendance.

10:52

*Meeting continued in private until 11:06.*





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