

The Rt Hon Steve Barclay MP
Secretary of State for Environment, Food and Rural Affairs
2 Marsham Street
London
SW1P 4DF
United Kingdom

Email: defra.helpline@defra.gov.uk

CC: markingofretailgoods.consultation@defra.gov.uk

15 March 2024

Response to the Consultation on the Marking of Retail Goods

Dear Mr Barclay,

I am writing to respond to DEFRA's consultation about the marking of retail goods. Scotland Food & Drink are a leadership and representative body for the food and drink sector in Scotland. Our membership spans the breadth of Scotland's vibrant food and drink industry, encompassing a diverse range of businesses from primary producers to manufacturers and retailers. As a body committed to promoting sustainable growth and innovation, we aim to ensure that our members operate in a regulatory environment that is conducive to achieving our shared economic, environmental, and social objectives.

We have reviewed these proposals and understand concerns about trade diversion. We accept there is evidence that since the Northern Ireland Retail Movement Scheme (NIRMS) was launched there has been some divergence from East to West in favour of North to South trade, with a reduction of 2.4% (to £11 billion) in the former and an increase of 4.8% (to £3 billion) in the latter.

Although this trade diversion is real, it must be considered in the overall context of a very well-supplied route from the rest of the UK into Northern Ireland. £11 billion of trade being maintained through the initial phase of the Windsor Agreement and NIRMS is surely a success story, rather than reason to introduce further measures to reduce friction at this time.

It is also vital to consider this in the round. Putting "Not for EU" labelling on a wide range of products intended only for Great Britain and not for Northern Ireland will add friction to all manner of internal UK trade, as well as our biggest overseas market, the EU. The total value of the trade affected is difficult to calculate precisely but given the far larger markets involved, it is likely to be many times greater than the relatively minor initial impact of NIRMS on internal UK trade between GB and Northern Ireland.

As well as widespread trade disruption, we are also concerned that the proposals appear to fall foul of Better Regulation principles around proportionality given that official [guidance](#) states that "all new policies, programmes and projects should be subject to a proportionate assessment of costs and benefits.

Parliament, especially the scrutiny committees, expect sufficient information on the impact of a measure, whether or not it impacts business...the level of analysis should be proportionate to the problem it is addressing, and reflect the scale or impact of the measure.”

Costs in this case will include significant additional operational and financial burdens associated with compliance, including but not limited to the redesign of product packaging, labelling, logistics and potential disruptions to supply chains. We have been advised that a business’s costs could exceed £100,000 per year.

Moreover, we have seen little evidence of benefit, such as quantifiable data to show that the requirements will avoid disincentivising supply into Northern Ireland any more than the current arrangements of the green and red lane, where any initial disruption has likely stabilised in any case.

Introducing additional labelling requirements could well lead to further confusion and inefficiencies along supply chains, ultimately impacting the fluidity of trade within the UK, including into Northern Ireland.

Before implementing the proposed labelling requirements, we urge you to conduct a more comprehensive assessment that considers the operational and financial implications for businesses across the supply chain, including our trade with the EU. This assessment should also explore alternative measures.

Further concerns include [evidence](#) that “Not for EU” labelling is confusing consumers. Labelling is also a devolved matter, and it is unclear how this would be legally enforceable across the UK.

In conclusion, we support the UK Government's overarching goals of maintaining the integrity of the UK market and ensuring the smooth flow of goods between Great Britain and Northern Ireland. We also recognise the value of the UK as Scotland’s biggest market for food and drink. We ask you to avoid any risk to already vulnerable businesses within the UK which these unnecessary and disproportionate financial burdens will cause, whilst also diminishing the UK food and drink sector's attractiveness for investment and innovation.

We are committed to working constructively with the government and other stakeholders to find solutions that support the growth and sustainability of the food and drink sector while meeting regulatory objectives.

Thank you for considering our response. We are open to further discussions on this matter and are willing to contribute to the development of practical and effective regulatory measures.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Iain Baxter', written in a cursive style.

Iain Baxter, Chief Executive, Scotland Food & Drink