

6 September 2018

House of Commons
Palace of Westminster
London
SW1A 0AA

Dear Member of Parliament

CBI Wales – NFU Cymru: Wales, Brexit and the future of the food and farming industry

As Member of Parliament for the xxxx constituency, we are writing to you to outline the views of CBI Wales and NFU Cymru on Brexit and the future of food and farming in Wales.

NFU Cymru and CBI Wales represent businesses across the whole of the Welsh supply chain from primary producers to those processors and manufacturers who rely on primary production to sustain their business models.

In our view it has never been more important for business and government to work together, to unite around a shared vision of making Wales, and the UK one of the most prosperous and competitive economies in the world. But the process of moving from our current relationship with the EU to a new one must be smooth, and that will require close collaboration.

As organisations we are committed to working in partnership with governments in Wales and Westminster to make a success of Brexit. Wales stands at a crossroads of historic change, and now is the time to move forward with confidence and ambition, providing stability to reassure business and encourage continued investment. More than ever it is time for politicians and business to step up, together, to manage risk and harness the opportunities ahead.

As negotiations move into a pivotal phase, insight from industry has never been more important. Detail matters – from the need to urgently agree a solution on the Northern Irish backstop to unlock momentum on the withdrawal and trade negotiations to the need for the UK government to keep fighting for our world leading services. This will require tough decisions, and on all of these issues we stand ready to help, and provide the hard-headed economic evidence to support this process.

The food and drink sector in Wales now has a turnover of £6.9bn and provides employment for 240,000 people. It also has the expertise, insight and skill to support you and your team to deliver solutions to many of the big questions facing our nation at this time.

The food and farming industry is the bedrock of our successful food and drink sector, however it is one of the sectors which has been most heavily shaped by our membership of the EU, both through participation in the Common Agricultural Policy (CAP) and the reliance on being able to export to the EU27.

The UK Government Brexit White Paper proposes to establish a new free trade area and maintain a common rulebook for goods, including for the agri-food sector. Almost 75% of Welsh food and drink exports go to the EU, and this extensive trade is underpinned by highly complex food supply chains. Equivalence with the EU will be highly reassuring. This common rulebook will encompass those rules that must be checked at the border, such as food safety standards. Continued regulatory

cooperation to ensure consumer confidence in the high standards of food safety regulations will ensure that trading can be conducted much as it is today, and that the high levels of protection enjoyed by both food operators and consumers will not be affected.

The Welsh agricultural industry is heavily dependent on the CAP for a very significant proportion of its income, with Welsh farms in turn supporting their local communities and economies. One unresolved, but very significant issue is that of allocating future funding for agriculture across the UK. Wales must maintain its current share of a similar sized pot of farm funding from the UK Government, and all these funds must then make their way down to Welsh agriculture. The UK Shared Prosperity Fund should deliver continuity while supporting innovation and driving up productivity while maintaining a level playing field within the UK internal market.

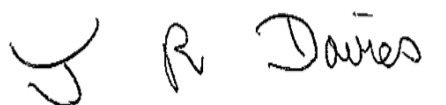
Finally, the devolved governments have an important role, giving the nations of the UK a voice in Brexit negotiations. The intergovernmental mechanisms for dialogue with the devolved nations is critical. Devolved nations need to be involved at the formative stages in the policy making process if we are to deliver a Brexit that works for the whole of the UK.

We look forward to discussing these issues with you in person as our members know how much you value the strength and continued success of Wales's world-renowned, growing, food and farming sector.

Yours sincerely



Mike Plaut
Chair
CBI Wales



John Davies
President
NFU Cymru