

Implementing the UK–EU Common Understanding on Food and Drink Trade

The UK–EU Common Understanding marked a major policy shift for UK food and drink regulation. The UK has committed to align with a wide range of EU food and agricultural regulations — extending beyond higher-risk SPS (Sanitary and Phytosanitary) measures to cover most food policy. Alignment will ease cross border trade (removal of costly certificates and checks) but comes at the expense of regulatory autonomy - with potential impacts for those who do not trade with the EU or those who have benefited from the UK's global approach to imports.

Given the scale of change and limited business engagement to date, it is essential that government now moves quickly to prepare industry. The following recommendations set out how the Common Understanding can be used as a springboard for readiness, competitiveness, and long-term resilience.

1. Use the Common Understanding as a Springboard for Business Preparation

The government should signal that alignment with EU law is the basis for future UK food regulation. Early and transparent communication will allow companies to assess the implications, identify areas of divergence, and plan for compliance and investment.

- Clearly communicate the full list of EU legislation in scope. For areas outlined for alignment, companies (particularly those who do not trade with EU) require a full picture of divergence that has taken place since EU exit and ongoing/expected changes to these EU rules.
- Publish a roadmap outlining the sequence and indicative timelines for alignment.

2. Pre-Align in Areas Where the EU Has Outpaced the UK

The EU has advanced regulatory authorisations and frameworks in several areas compared to the UK. For example, the EU has authorised certain ingredients and materials for its market (e.g. specific novel foods, food additives, feed additives). The EU's food contact materials framework for recycled plastic packaging has also outpaced national developments.

- Identify priority areas for proactive alignment.
- Develop mechanisms to facilitate early legal use by UK businesses of authorised EU ingredients and materials.
- Ensure UK businesses can participate in EU-level innovation and maintain market access.

3. Communicate Forthcoming Changes to UK Border Policy

The UK and EU will adopt a shared approach to import controls from third countries. This will have major implications for overseas suppliers and the UK's list of permitted imports.

- Publish clear communications for importers and overseas partners.
- Ensure transparency on certification, inspection and approval requirements.

4. Robustly assess the impact of retaining national regulation of retained policies

The UK has expressed a desire to retain control over national legislation in certain areas. However, the EU will require additional safeguarding measures for any negotiated exemptions to protect the Single Market. The UK must therefore assess the short and long term commercial and trade risks and benefits.

- Careful regulatory consideration is required to balance innovation and trade impacts.
- Secure effective routes of UK shaping of future EU innovation regimes.

5. Futureproof the Agreement and Maintain Emergency Flexibility

The framework should be robust to market shocks such as geopolitical impact, poor harvests or animal disease outbreaks.

- Agree procedures for temporary derogations from compliance or national measures in emergencies.
- Ensure any safeguard mechanisms maintain market confidence and supply continuity.

6. Provide Transitional Periods and Clarity for Long Shelf-Life Products

Transition arrangements are essential, particularly for products with extended supply chains or long shelf lives.

- Announce indicative transition timelines well in advance.
- Ensure continuity of market access through clear sell-through provisions e.g. exemptions for products on the market during changeover.

7. Plan for the future of the Northern Ireland Retail Movement Scheme

- Clarify long term role of NIRMS e.g. removal of 'Not for EU' labelling.
- Engage retailers, logistics partners and manufacturers early to manage operational impacts.

8. Monitor Future EU Policy Development

Continued UK monitoring of EU regulatory evolution will be critical to protect competitiveness.

- Establish dedicated structures for intelligence-sharing and stakeholder input.
- Identify upcoming EU initiatives early to mitigate or shape their impacts.

9. Ensure appropriate UK voice and access to EU systems and databases

Ensuring that UK views and data are reflected in EU policy is a crucial safeguard against regulations being developed that undermine UK businesses or fail to consider UK populations and climatic conditions.

- Secure participation rights in key EU agencies like EFSA and EU systems like RASFF.
- Ensure UK data is reflected in the decision-making process of these bodies.
- Secure UK representation on EU risk management meetings

10. Support Export Readiness and Promotion

The new agreement offers an opportunity to revitalise EU exports, including for businesses that have withdrawn since Brexit.

- Provide tailored support on customs, safety and security, and wider requirements.
- Integrate this with wider export promotion activity to maximise benefits of reduced barriers.