

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:

Committee room 5 – Tŷ Hywel
and video conference via Zoom

Meeting date: 19 June 2025

Meeting time: 09.30

For further information contact:

Robert Donovan

Committee Clerk

0300 200 6565

SeneddEconomy@senedd.wales

Hybrid

Private pre-meeting

09.15 – 09.30

Public session

09.30 – 10.30

1 Introductions, apologies, substitutions, and declarations of interest

09.30

2 Food Processing: panel 1

09.30 – 10.30

(Pages 1 – 11)

Huw Thomas, Chief Executive Officer, Puffin Produce and Pembrokeshire
Creamery

David Harries, Head of Food and Drink Federation Cymru

Attached Documents:

Research brief



3 Papers to note

10.30

3.1 Economy Trade and Rural Affairs Committee report: AI and the Welsh Economy

(Pages 12 – 15)

Attached Documents:

Letter from the Chair to the Centre for Digital Public Services – 3 June 2025

Letter from the Chair to the Chair of the Health and Social Care Committee – 3 June 2025

3.2 Follow-up to 15 May Committee meeting: Glastir and National Minimum Standards

(Pages 16 – 18)

Attached Documents:

Letter from the Chair to the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 3 June 2025

3.3 The Official Controls (Extension of Transitional Periods) (Amendment) Regulations 2025

(Pages 19 – 20)

Attached Documents:

Letter from the Chair to the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 3 June 2025

3.4 Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021

(Pages 21 – 22)

Attached Documents:

Letter from the Chair to the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 3 June 2025

3.5 Welsh Government Draft Budget 2026–27: Engagement – Stakeholder Event

(Page 23)

Attached Documents:

Letter from the Chair to the Chair of the Finance Committee – 3 June 2025

3.6 Soil Health in Agriculture

(Pages 24 – 29)

Attached Documents:

Letter from the Chair to the National Trust – 4 June 2025

Letter from the Chair to Professor Bridget Emmett – 4 June 2025

Letter from the Chair to the Welsh Local Government Association (WLGA)

Leader – 5 June 2025

3.7 Anonymous Committee Evidence

(Pages 30 – 31)

Attached Documents:

Letter from the Chair to the Llywydd, and Chair of the Business Committee – 4 June 2025

3.8 Inter–Institutional Relations Agreement: Intergovernmental Relations Annual Report

(Page 32)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair of the Legislation, Justice and Constitution Committee – 5 June 2025

3.9 Inter–Institutional Relations Agreement: Council of the Nations and Regions Meeting and other Intergovernmental Meetings

(Page 33)

Attached Documents:

Letter from the First Minister to the Chair of the Legislation, Justice and Constitution Committee – 9 June 2025

3.10 Marking of Retail Goods Regulations 2025

(Pages 34 – 35)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 9 June 2025

3.11 Inter–Ministerial Group on UK–EU Relations

(Page 36)

Attached Documents:

Letter from the Cabinet Secretary for Economy, Energy and Planning – 9 June 2025

4 Motion under Standing Order 17.42(ix) to resolve to exclude the public from the remainder of the meeting

10.30

Private session

10.30 – 11.45

5 Food Processing: consideration of evidence

10.30 – 10.40

6 Trade update

10.40 – 11.00

(Pages 37 – 49)

Attached Documents:

Trade update paper

7 Trade and Cooperation Agreement (TCA): consideration of draft chapter

11.00 – 11.15

(To Follow)

Attached Documents:

Draft Chapter

8 Apprenticeship Pathways: consideration of draft report

11.15 – 11.45

(Pages 50 – 96)

Attached Documents:

Draft report

Agenda Item 2

Document is Restricted

Economy, Trade, and Rural Affairs Committee

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Sharon Gilburd

Chair

Centre for Digital Public Services

3 June 2025

Dear Sharon

Committee AI report

On 20 May the Committee published its report, [AI and the Welsh Economy Can Welsh androids dream of electric sheep?](#) Whilst the recommendations are for the Welsh Government, the Committee felt the Centre for Digital Public Services may find the report useful and interesting.

Although the report is largely focused on what the Welsh Government must do to capture the potential benefits and avoid the potential pitfalls of AI to support our economy, we heard compelling evidence around the need for understanding of AI in public procurement. As part of the evidence we gathered we heard about the opportunities that AI could bring to the Welsh Public Sector however we also heard warnings around ensuring procurement officers had a good understanding of the AI they were buying to avoid poor AI making bad decisions for Wales.

This was a preliminary piece of work on the issue of AI and the Welsh Economy. As its an emerging technology I imagine the Committee or its successor will revisit it in the future. I look forward to potentially working with the Centre for Digital Public Services as part of that.



Yours Sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Peter Fox MS

Chair

Health and Social Care Committee

3 June 2025

Dear Peter,

Committee AI report

I am aware that your Committee has undertaken some work on AI as part of your Area of Research Interest event on Innovation for Improvement in Healthcare. As health is likely to be at the forefront of using and benefiting from AI, I would like to draw your attention to the Economy Committee's report, [AI and the Welsh Economy Can Welsh androids dream of electric sheep?](#)

Although the report is largely focused on how to capture the potential benefits and avoid the potential pitfalls of AI to support our economy, we heard compelling evidence around the need for understanding of AI in public procurement which I think may be relevant to your Committee's work. Some of the evidence we gathered highlights opportunities that AI could bring to the Welsh Public Sector however we also heard warnings around ensuring procurement officers had a good understanding of the AI they were buying to avoid poor AI making bad decisions. This could of course be disastrous on a healthcare setting.

As AI is an emerging technology I expect our Committees or their successors will revisit this issue, so I look forward to potentially working with you on it in the future.

Yours Sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

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**Economy, Trade, and
Rural Affairs Committee**

Huw Irranca-Davies MS

Deputy First Minister and Cabinet Secretary for Climate Change
and Rural Affairs

3 June 2025

Dear Huw,

Follow-up to 15 May Committee meeting

Thank you for attending Committee on 15 May and giving evidence as part of our [Soil Health in Agriculture Inquiry](#). During our private session we discussed the evidence you provided and would like to seek some clarifications around Glastir and the Environment and Rural Affairs Monitoring & Modelling Programme (ERAMMP) results, and National Minimum Standards.

Glastir and the Environment and Rural Affairs Monitoring & Modelling Programme (ERAMMP) results

As part of our inquiry into soil health we were made aware of the recent [Environment and Rural Affairs Monitoring & Modelling Programme \(ERAMMP\) results](#), reporting:

- 2 to 4 fold increase in the number of improved soils with nutrient levels above recommended levels risking leaching to water courses. 8% in arable and 17% of improved soils now exceed the recommended levels;
- overall stability in soil carbon but with an 8% loss of soil carbon concentrations in arable soils;
- 6-32% increase in soil compaction reducing resilience to drought, increasing risk of both rapid runoff and nitrous oxide emissions – the latter a potent greenhouse gas;
- 4% of soils in Wales are eroded or disturbed; and

- Glastir had few positive benefits for soil with a couple of exceptions including an increase in topsoil carbon concentrations in 3 of the 19 habitats.

The report said: "The results indicate that whilst we are no longer seeing widespread long-term declines, we do not see the transformational change required to meet WG [Welsh Government] environmental policies and objectives of the Glastir scheme."

During the oral evidence sessions for this inquiry, stakeholders said that lessons need to be learned from Glastir and the ERAMMP results to inform the Sustainable Farming Scheme (SFS) going forward to ensure soils are managed more sustainably.

When the Committee questioned you on the results of ERAMMP and effectiveness of Glastir you told us "it's not a scheme that we should expect or anticipate Glastir, ... to deliver a step change in soil health or soil quality, when, actually, the baselines were already in relatively good condition. This is a success story, if you like, for pastureland farming in Wales." Your official told us that "Glastir was primarily a habitat scheme, so those are low-input systems and probably acidic systems, and the packages of bundles ... which were things like removing stock from woodland and fencing, those types of activities are not going to have a direct benefit on the soil".

We note the first objective listed in the Glastir General Guidance was "Managing soils to help conserve our carbon stocks and reduce soil erosion." To inform our understanding and recommendations to you, we would welcome further explanation of why you believe Glastir was a "success story", while the ERAMMP results show a seemingly different picture against this objective?

National Minimum Standards

In the Agriculture (Wales) Bill White Paper (2020) the Welsh Government proposed to:

"include powers within the Bill enabling the Welsh Ministers to create National Minimum Standards for agriculture. After the Bill receives Royal Assent, we propose to consolidate the existing legislation which currently underpins the Cross Compliance requirements into secondary legislation with limited modifications and additions where necessary".

...

"Developing a set of National Minimum Standards would provide a clear regulatory baseline for all farmers in Wales. This would also allow agricultural regulation to be monitored and enforced consistently, facilitating a level playing field across Wales for all businesses managing agricultural land".

...

"We propose GAEC [Good Agricultural and Environmental Condition] 4 and 5, which require farmers to maintain minimum soil cover as well as to minimise soil erosion and compaction, should be

included into the National Minimum Standards. Without doing this, there would be no statutory regulations protecting soil in Wales.”

You told the Committee on 15 May 2025 that “The GAEC 4 and 5 are expected to be included within the SFS scheme requirements.” While the Committee welcomes the inclusion of GAEC 4 and 5 in cross-compliance rules for those participating in the SFS, we would like clarification about whether these rules would not apply to farmers outside of the SFS or not?

We would also like to understand the Welsh Government’s change of approach from the Agriculture (Wales) Bill White Paper where it was proposed that NMS would be introduced to create a clear regulatory baseline for all farmers in Wales, including GAEC 4 and 5. Please could you provide some detail on the thinking behind this?

Thank you in advance for this information which will be very useful as part of our Inquiry.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew RT Davies". The signature is written in a cursive style with some capital letters.

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Huw Irranca-Davies MS

Deputy First Minister and Cabinet Secretary for Climate Change
and Rural Affairs

3 June 2025

Dear Huw,

The Official Controls (Extension of Transitional Periods) (Amendment) Regulations 2025

Thank you for your letter drawing attention to your written statement [The Official Controls \(Extension of Transitional Periods\) \(Amendment\) Regulations 2025](#). I note the statement informs the Senedd that you have given consent to the UK Government to make regulations which will “extend the implementation period of import checks on certain sanitary and phytosanitary (‘SPS’) goods entering Great Britain (‘GB’) from certain countries, until 31 January 2027.” In the statement you explain “this will allow sufficient time to transition to a permanent legislative basis for the BTOM [(Boarder Target Operating Model)].”

These new regulations will defer those checks by a significant amount of time; until well after the Senedd election. You will be aware that the Committee has been following developments around the BTOM with interest since the start of the Sixth Senedd. In the coming weeks, we will consider implications arising from the UK-EU Common Understanding agreement in establishing a Common UK-EU Sanitary and Phytosanitary (SPS) Area through a future SPS Agreement. We are grateful to you for your recent correspondence providing an update to our Committee on intergovernmental SPS discussions.

To help us continue our scrutiny on this area please could you set out:

- A timetable of trade controls that will be introduced during the remainder of the Sixth Senedd;

- To what extent, if any, the Common Understanding agreement requires a change of approach to the BTOM's implementation, including changes to the timetable mentioned above;
- How the governments are working together on the change in approach, if any, required by the Common Understanding agreement;
- What implications there are, if any, for the readiness of Border Control Posts currently under construction;
- The Welsh Government's view on the SPS provisions in the Common Understanding;
- The Welsh Government's view on the specific provisions requiring the Great Britain to dynamically align to EU SPS standards; and
- The Welsh Government's initial analysis of the Common Understanding in relation to movements between Wales and the island of Ireland, including NI-Ireland-Wales movements and vice versa.

I look forward to receiving your response.

I have copied in Delyth Jewell MS, Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee, Llyr Gruffydd MS, Chair of the Climate Change, Environment, and Infrastructure Committee, and Mike Hedges MS, Chair of the Legislation, Justice and Constitution Committee in light of our cross-committee inquiry on the implementation review of the Trade and Cooperation Agreement.

Kind regards,



Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

CC: Delyth Jewell MS, Chair, Culture, Communications, Welsh Language, Sport, and International Relations Committee

Llyr Gruffydd MS, Chair, Climate Change, Environment, and Infrastructure Committee

Mike Hedges MS, Chair, Legislation, Justice and Constitution Committee

Huw Irranca-Davies MS

Deputy First Minister and Cabinet Secretary for Climate Change
and Rural Affairs

3 June 2025

Dear Huw,

Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021

In private session following our meeting on 15 May, Members discussed the Committee's previous work on the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021. Members particularly discussed our [June 2022 report](#) on those regulations and a Committee visit to Gelli Aur where they demonstrated an interesting project using weather stations and ground monitoring equipment to assess when it was best to spread fertiliser.

As a result of strong evidence received by the Committee from stakeholders including Natural Resources Wales and Welsh Government, and the demonstration at Gelli Aur, the Committee made a number of recommendations which looking at the use of technology to move away from 'farming by calendar.' These included:

- The Welsh Government should prioritise any suitable alternative proposals that utilise technology rather than closed periods for spreading, or 'farming by calendar'.
- The Welsh Government should provide the Committee with an update on its consideration of alternative proposals by early 2023 and further regular annual updates on the consideration of alternative measures, in advance of the formal regulatory review.

Please could you provide an update on any progress with developments in this area, particularly on any progress towards replacing farming by calendar requirements with a more accurate/responsive technology-based solution?

Yours sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Peredur Owen Griffiths MS

Chair

Finance Committee

3 June 2025

Dear Peredur,

Stakeholder Event: Bangor

Thank you for setting out your Committee's approach to scrutiny around the draft budget and for inviting Members to the stakeholder event on 19 June in Bangor. Unfortunately, 19 of June is a sitting day for the Committee so we will not be able to attend.

I hope the event goes well and I look forward to seeing any outputs.

Yours sincerely,



Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

**Economy, Trade, and
Rural Affairs Committee**

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Alys Routley

Land Use & Farming Adviser

National Trust

4 June 2025

Dear Alys,

Soil Health in Agriculture

Healthy soil is incredibly important to support our agricultural systems, for food/fibre production, water quality, flood prevention, biodiversity, and carbon storage. In order to support Wales's soil health into the future, the Committee is undertaking an inquiry into soil health in agriculture.

One of the areas Members have been considering is how tenants might be supported or encouraged to improve soil health on the land they rent. As the National Trust leases land to many tenant farmers we thought this may be an issue you had considered or undertaken some work on.

The Committee would welcome any views you have on how tenants might be encouraged and supported to improve soil health, especially for short term agreements, and any views you may have on any other elements of this inquiry.

Thank you in advance for your support with this important inquiry, please could you respond by 22 June.



Yours sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Professor Bridget Emmett
UK Centre for Ecology and Hydrology

4 June 2025

Dear Bridget,

Soil Health in Agriculture

Thank you for giving evidence to the Committee on 30 April, Members found it very interesting and useful. I am writing to ask a follow-up question regarding carbon emissions and soil. In your evidence you said:

"If you think about Wales as the round, soils are a net contributor [to carbon emissions]. Because arables are emitting, and peatlands. Peatlands are four per cent of Wales, but they're contributing nine per cent of the net agriculture and land use, land use change and forestry inventory. As Will said, a lot of our soils are just stable, a lot of our pastures, we can't find trends in those, but the arable is going down, the peatland is going down. So, the first thing is that we must stop that. And then the question is how can you get more carbon into soil."

Last week, we discussed this evidence with representatives of the farming unions. The NFU Cymru told us they "would like to have some more scrutiny on that claim, because the information that we've seen, particularly from the Climate Change Committee report that came out yesterday, would suggest that, actually, carbon within soils is stable and, over historic periods of time, is slightly declining." "So I'm not quite sure where that claim came from. It would be useful to get some more information on that."

Could you please provide more detail on the evidence around Welsh soils being a net contributor to carbon emissions? We would also be interested to hear any views you have on the recent Climate Change Committee report on [Wales Carbon Budgets](#) relevant to the Committee's soil health inquiry.

You also told us that "one of the biggest sources of waste to landfill is soil" because there is no easy way to recycle it. Do you have any more detail on that statistic? We would be particularly keen to know the source of the soil e.g. is it from agriculture, construction or another source? Also, do you know of any work being undertaken to facilitate soil recycling?

Thank you again for your contribution to this inquiry so far and I look forward to hearing your views on these follow-up issues.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew RT Davies". The signature is written in a cursive style with some capital letters.

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Cllr Andrew Morgan OBE

WLGA Leader

5 June 2025

Dear Andrew,

Soil Health in Agriculture

Healthy soil is incredibly important to support our agricultural systems, for food/fibre production, water quality, flood prevention, biodiversity, and carbon storage. In order to support Wales soil health into the future, the Committee is undertaking an inquiry into **soil health in agriculture**.

One of the areas the Committee is particularly interested in is the classification of soils for land use. As you will be aware **Planning Policy Wales** states agricultural land of ALC grades 1, 2 and 3a is "the best and most versatile, and should be conserved as a finite resource for the future". It states that "considerable weight should be given to protecting such land from development, because of its special importance" and land in these grades should only be developed if there is "an overriding need for the development".

However, the Committee recognises there is a tension between the need to develop land, particularly for housing, and the need to protect our most valuable and potentially most productive farmlands. As part of our inquiry the Committee would be very keen to hear local authorities views, via the WLGA, on that tension and what local authorities are doing, especially as part of their work on Local Development Plans, to protect the most valuable soil and to retain its use for growing crops.

Thank you in advance for your support with this important inquiry, please could you respond by 22 June.

Yours sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



**Economy, Trade, and
Rural Affairs Committee**

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Rt Hon Elin Jones MS

Chair

Business Committee

4 June 2025

Dear Llywydd,

Anonymous evidence

Twice this Senedd, the Economy, Trade and Rural Affairs Committee has been given evidence in confidence that potentially highlighted poor practices in Welsh public bodies. Whilst we did what we could to support the people who submitted the evidence and incorporate it into our work; when someone is unwilling to go on the record, it can be very hard for a committee to use their evidence.

In both of these cases, the people wished to remain anonymous as they either worked in the sector or wished to continue doing business in the sector and were worried about the reputational risk going on the record may bring and reprisals for speaking out. Given we are a small nation I can imagine this is an issue that prevents many potential key witnesses coming forward to provide Committees with useful evidence.

The Committee felt that, as part of preparation for the Seventh Senedd, either Business Committee, the Chairs Forum or another body may be able to consider the issue and how future Committees would be able to best receive and work with evidence supplied in confidence. Whilst, for obvious reasons, I do not wish to disclose too much detail of the anonymous evidence in this letter I am happy for the Clerk to discuss the issues with whomever takes this work forward and give more detail privately.

Thank you for your attention to this issue.



Yours sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Agenda Item 3.8

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate
Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

SeneddLJC@senedd.wales

5 June 2025

Dear Mike,

Inter-Institutional Relations Agreement: Intergovernmental Relations Annual Report

I am writing in accordance with the inter-institutional relations agreement to notify you that I today laid an Intergovernmental Relations Overview Report, which covers the period of April 2023 to July 2024. The published report can be accessed [here](#). In addition, I have issued an accompanying written statement, which can be accessed [here](#).

I have copied this letter to the chairs of the Committee for the Scrutiny of the First Minister; Children, Young People and Education Committee; Climate Change, Environment, and Infrastructure Committee; Culture, Communications, Welsh Language, Sport, and International Relations Committee; Economy, Trade, and Rural Affairs Committee; Equality and Social Justice Committee; Finance Committee; Health and Social Care Committee; and Local Government and Housing Committee.

Yours sincerely,

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

SeneddLJC@senedd.wales

09 June 2025

Dear Chair

Further to my letter of 22 May 2025 and in accordance with the Inter-Institutional Agreement, I am writing to draw to your attention to a [Written Ministerial Statement](#) summarising discussions at the Council of the Nations and Regions and at other intergovernmental meetings on 23 May 2025.

I am copying this letter to Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs; Rebecca Evans MS, Cabinet Secretary for Economy, Energy and Planning; Julie James MS, Counsel General and Minister for Delivery; the Rt Hon Elin Jones MS, the Llywydd; the Chair of the Finance Committee; and the Chair of the Economy, Trade and Rural Affairs Committee.

Yours sincerely

Eluned Morgan

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Huw Irranca-Davies MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet
dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/HIDCC/1372/25

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee

Andrew RT Davies MS
Chair
Economy, Trade and Rural Affairs Committee
Welsh Parliament

9 June 2025

Dear Mike, Andrew,

I am writing to inform the Committee that I have given consent to the Secretary of State for Environment, Food and Rural affairs to make and lay the Marking of Retail Goods Regulations 2025. The Regulations apply to England and Wales and Scotland.

I regret I was unable to write to your committee to provide notification of my intention to consent to the Regulations as set out in the Inter-Institutional Relations Agreement between the Senedd Cymru and the Welsh Government. The final draft of the Regulations were received late last week following intergovernmental discussions.

The Regulations provide a power for the Secretary of State to issue notices to require “not for EU” labelling on specific GB market food and drink products with a requirement to consult with devolved governments before making a decision.

I have laid a Written Statement which can be found [here](#).

These Regulations have been made using powers in:

- Section 8C(1) of the European Union (Withdrawal) Act 2018.

The purpose of the Regulations is to provide for a contingency power to introduce ‘Not for EU’ labelling for specific food products in Great Britain. This measure would be enacted where the Secretary of State, is satisfied that the supply of certain retail goods to consumers in Northern Ireland is at risk and considers that intervention is necessary to safeguard food supply to the people of Northern Ireland.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The possibility of introducing 'Not for EU' labelling for the GB market, is intended to incentivise retailers and manufacturers to make the necessary changes to comply with the labelling requirements for goods moved into Northern Ireland by GB businesses. This would remove any financial incentives for de-listing products in Northern Ireland rather than labelling them, thereby safeguarding the flow of goods to Northern Ireland.

The requirement for labelling would be targeted at specific products rather than the blanket approach the previous UK Government consulted on in February 2024. Small businesses will be exempt from these requirements.

Although the Welsh Government's general principle is that the law relating to devolved matters should be made and amended in Wales, on this occasion, in order to adopt a consistent and coherent approach which allows the UK Government to meet its commitments to safeguard the supply of food to Northern Ireland, which the Welsh Government supports, I consider it appropriate to consent to the laying of these Regulations. I understand the Scottish Government has also agreed to consent.

The Regulations are subject to the affirmative procedure and were laid before Parliament on 5 June 2025 with a commencement date which will be subject to the SIs approval by resolution of each House of Parliament.

The Regulations can be found [here](#).

Again, I regret that I was unable to provide information to the Committee in advance of the Regulations being laid.

Yours sincerely,



Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Andrew RT Davies MS
Chair of Economy, Trade, and Rural Affairs
Committee

SeneddEconomy@senedd.wales

09 June 2025

Dear Andrew

I am writing to inform you that the meeting of the Inter-Ministerial Group on UK-EU relations was held on 12 May 2025.

We discussed the reset of the UK-EU relationship. As you will be aware the EU-UK Summit took place on the 19 May and the UK formally announced a renewed approach to UK-EU relations, with new opportunities for enhanced security, safety, and economic prosperity for citizens and businesses on both sides of the Channel.

The UK-EU Common Understanding Agreement contains many of the priorities that we set out to UK government, and it provides the foundations for further negotiations with the EU, which will offer us an opportunity to continue to work with the UK and the EU to ensure Wales interests continue to be reflected in negotiations.

The agreement included a commitment to deliver a 'Common Sanitary and Phytosanitary (SPS) Area' that will benefit the agrifood and drinks sectors in Wales, particularly in the sale of red meat. There will also be closer working to link emissions trading systems and energy to support green growth and green jobs. Improved steel quotas into the EU will also provide much needed support for our steel sector.

Yours sincerely,

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Agenda Item 6

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Agenda Item 8

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