

29 January 2018

House of Commons Public Bill Committee on the Trade Bill (2017-2019)

Written evidence submitted by Sustain: the alliance for Better Food and Farming. Sustain advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the working and living environment, enrich society and culture and promote equity. We represent around 100 national public interest organisations working at international, national, regional and local level.

There has already been considerable debate about how the UK to move to 0% tariffs for food after we exit the European Union, how this will lower prices for consumers and that this will help those on low incomes. Sustain believes that to date this debate has failed to take account of the full range of factors that impact on food prices or the full potential cost to UK food and farming, our health system or those who will end up eating cheap food imports.

This submission does not represent the detailed views of all of Sustain's member organisations, some of whom have given evidence or put in their own submissions.

'CHEAP FOOD' DOESN'T ALWAYS MEAN GOOD FOOD
SUSTAIN FOOD AND FARMING ALLIANCE, JANUARY 2018

Top key points

- We want affordable food, not 'cheap' food, which may be poor quality or unsafe to eat. Cheap, poor quality, imported food will come at a cost –to the farmer or food producer, to animal welfare, to the environment or jobs in UK food and farming. There may be hidden costs to our NHS and economy from food poisoning and lost days at work.
- Research shows foodbank use is rising in the UK and that the primary reason is low or uncertain income and delays or changes to benefits payments. These problems will not be solved simply by cheap food. We need to improve household incomes, control housing costs, link wages and benefits to the cost of living and fix the welfare safety net.
- British people should refuse to trade away food standards. Our UK farming industry has worked hard to reduce unnecessary antibiotic use and clean up meat production. We don't want their farms and jobs put at risk by competition with cheap, poor quality imports.
- We want trade that doesn't short-change farmers in the UK, or in poor countries, and which supports sustainable development and global commitments on issues like climate change. It is important to maintain good food and farming standards to help achieve these aims.

Background/context

Following the Brexit vote, there have been warnings of potential food price increases from a number of sources, including the [chairman of Sainsbury's](#), the [British Retail Consortium](#), [KPMG](#), and think tanks like the [Food Foundation](#) and [The Resolution Foundation](#).

There have also been warnings from [food industry leaders](#) about the potential for produce rotting at UK borders and [empty shelves in supermarkets](#), as the UK races to build new food supply chains post Brexit. Add to this that [an estimated 8.4 million people in the UK already struggle to afford to eat](#), [food bank use is on the rise](#) and that the health inequalities between rich and poor in this country [are ever widening](#) and you can see why [food experts are concerned](#) about how best to feed ourselves after we leave the European Union.

Can't we just set 0% tariffs on food after Brexit, import cheap food and help those on low incomes eat whatever comes?

Fans of the free market, ranging from the [Adam Smith Institute](#), [Daniel Hannan](#), Jacob Rees Mogg and the infamous Wetherspoon [beer mat](#) argue that the EU imposes high tariffs (a type of border tax) on food from other countries, driving up prices for UK consumers. Consequently, they say that low/no tariff trade deals with countries outside the EU [will lower food prices](#), and automatically help people on low incomes.

But, as the Government [says](#), the most important drivers of change in the cost of food are not tariffs, but commodity prices, exchange rates and oil prices. Any potential savings [could be cancelled out](#) by a weak pound, currency movements and commodity fluctuations, and increases in the cost of food from European countries, from where we buy almost a third of our food.

EU negotiators have warned that if the UK leaves the EU customs union and single market – which are agreements to trade without border taxes - will create ‘friction’ at borders, such as delays and compliance checks. And the Institute for Government, amongst others, has warned that this [will add costs](#), even with tariffs reduced to 0%. So cheap food after Brexit sounds appealing, but it’s based on assumptions that are not necessarily true.

Those calling for 0% tariffs (no border taxes) want this to happen as soon as the UK leaves the EU. But we will need to negotiate trade deals with individual countries and that will take time.

Anyway, can we be sure that any potential cost savings will be passed on to the consumer? Wetherspoon Chairman Tim Martin [admitted to the Environment and Rural Affairs Committee](#) at the end of 2017, that any savings to food importers might result in higher profits for pubs, restaurants and shops, rather than cheaper prices for consumers.

Cheap, poor quality food comes at a cost – and will have a negative impact on those on low incomes
If we deliberately allow in a flood of cheap, poor quality food, this is likely to bring more costs to the NHS. The cheapest food tends to be long shelf-life snacks and processed foods with higher levels of fat, salt, sugar and additives, and lower levels of fresh and healthy ingredients. As one example, the implementation of the North American Free Trade Agreement (NAFTA) [flooded the Mexican market with](#) “cheap corn, meat, high-fructose corn syrup and processed foods from the United States”. This has led to increased levels of obesity and diet-related disease.

Very cheap meat may also come with a nasty dose of food-poisoning bugs, for which consumers and the NHS would have to pick up the bill through increased cases of food poisoning. Poor diet is now the [major contributor](#) to disease in England and piling on more cheap, poor quality food could exacerbate this situation. Michael Gove, a leading supporter of Brexit, confirmed at the Oxford Real Farming Conference in January 2018 that cheap, poor quality food can have significant hidden costs for health and our environment. We need trade deals that uphold high standards of food quality and safety.

When talking about our fundamental right to food, Olivier De Schutter, former UN Special Rapporteur for the Right to Food, [said](#) “any society where a healthy diet is more expensive than an unhealthy diet is a society that must mend its price system.”

What could be the cost of cheap, poor quality no or low tariff food imports?

LOSS TO DOMESTIC ECONOMY AND INDUSTRY could result in:

- An end to buying British. British [industry](#) is predicting job losses in UK agriculture and food processing if British companies are forced to compete purely on price with low quality and low animal welfare imports. British confectioners [also fear sharp prices](#) rises and risks the 4000 strong workforce if the UK chooses a hard exit from the EU.
- Loss of competitiveness for British farmers on the international stage if they lower standards in order to compete purely on price.
- With [3.9m](#) million people in UK employed in food and farming – from farmers to caterers, manufacturers, supermarkets workers, this is the single largest sector of employment in the UK. Job losses and low pay in this sector are already driving more into poverty – hundreds of thousands of low-income British food workers cannot afford for this situation to get worse.

LOWER FOOD STANDARDS AND ANIMAL WELFARE could result in:

- The UK being forced to accept lower quality, lower animal welfare imports: the US Commerce Secretary has already [warned us](#) that the UK must accept US product standards if we want a trade deal.
- Being forced to compete with cheap imports could increase pressure on British producers to cut corners with animal welfare, worker safety and food hygiene – (downward price pressures were said to have contributed to cutting corners in chicken production at the [2 Sisters chicken plant](#)).
- Flooding the domestic market with cheap imports could also result in UK farmers exporting their high quality produce while British consumers eat lower quality goods.
- Cheap, poor quality meat that has been injected with hormones/irradiated/dipped in chlorine (production processes banned or severely restricted in the EU) making its way into mass catering for our schools, hospitals, take-aways and restaurants where there are no requirements to label the origin of the meat, so we won't know what we are eating.
- British consumers inadvertently supporting unacceptably [poor animal welfare standards](#) and overuse of [antibiotics](#), contributing to the rise in superbugs, if we strike a trade deal with the US.
- Less transparency in labelling (country of origin, ingredients, production methods) could make it harder for us to make informed decisions about the food we eat.

POOR DIETS, POOR HEALTH AND LOWER PRODUCTIVITY could result in:

- The UK importing American levels of obesity alongside cheap, highly processed food imports. [Obesity levels In Mexico rocketed](#) in the years after NAFTA was signed and their domestic market was flooded with low nutrient/highly processed food from the United States.
- But according to [the School of Public Health in Harvard](#), the phenomenon is not limited to Mexico. Research shows free trade is among the key factors that have accelerated the spread of low-nutrient, highly processed foods from the West, "driving the obesity epidemic in China, India, and other developing countries worldwide".
- An increase in poor health if we start importing cheaper but unhealthy food. These would most likely be promoted to people living on a low income, who already have poor diets and little opportunity to eat well. The Faculty of Public Health [states](#) that "In the UK, the poorer people are, the worse their diet, and the more diet-related diseases they suffer from".
- An increase in costs for the economy. According to the Food Standards Agency foodborne diseases already cost the UK economy £1.5bn per year, with campylobacter costing the economy [£900m per year](#). We can expect to spend more if our food poisoning rates rise in line with the US. The largest US food exports are meat and poultry, which have lower welfare and production standards and may increase our risk of food poisoning. Cheap food comes at a high cost.
- The 2015 the Fabian Commission found that low pay is prevalent throughout the food sector. Researchers calculated that 48% of the workforce in the food industry were classed as low pay, twice as much as for the economy as a whole; some 1.7 million people in the UK food sector are not making a living wage. Further pressure on the UK food industry and rising food prices could worsen their situation.

POLITICAL IMPACT could result in:

- A hard border between Northern Ireland and the Republic of Ireland, as the latter will need to stop these low-quality products making their way into their markets via the UK.
- The [impact](#) of flooding the UK market with cheap, poor quality food falling disproportionately on rural areas where the domestic agricultural and food industry jobs are – [areas that are already suffering from deprivation and under-investment](#).

What is Sustain arguing for?

In response to the Wetherspoon beer mat, circulated to 0.5 million people in pubs; Sustain's CEO Kath Dalmeny [brought 10 of her own home-made beermats along](#) when she appeared before the Environment and Rural Affairs Committee, to hand out to committee members. She argued strongly against the idea of trade deals being allowed to flood the market with cheap, poor quality food. She argued instead for:

1. *Affordable and good, healthy, not cheap, food*

The Trussell Trust is the largest provider of charitable food banks in the UK and their research has found that people using food banks are not doing so simply because food is too expensive. Households using food banks face extreme financial vulnerability and the research found users have an income well below the threshold for low income. More than a third of households experienced 'an income shock' in the past three months and over two thirds reported unexpected and rising expenses during the same period. Almost half of households reported their incomes were unsteady from week to week or month to month. Half of households included someone with a disability.

According to the [latest statistics release from the ONS](#), lower income households spend a higher proportion of their money on food and energy. If food, especially fruit and veg, is more affordable, then that must be good for people on low incomes. However, we simply cannot tell if 0% tariffs *will* lead to affordable, *healthy* food for everyone and given everything we have outlined above, we think it likely they won't.

The [Harvard School of Public Health](#) found that free trade is contributing to shifts towards Western diets and increased levels of obesity across the globe. Researchers also found that in high income countries like the UK it is the poor who lose out with increased levels of obesity. It is worth noting that calorie for calorie, processed foods that are high in fat and sugar are [2.5 times cheaper than veg](#).

2. *Improved household incomes, reduced food insecurity, and better promotion of access to good, healthy food*

Eight million people in the UK struggle to put food on the table, a shocking state of affairs in the 21st century. When people are hungry, their studies, their work and their mental health may suffer. Cheap food in a crisis is preferable to no food at all – but we should be aiming to help everyone to eat well, not normalising a culture of poor quality food and [charitable handouts](#).

After years of working with others to solve food poverty, the Sustain alliance firmly believes that we must focus on helping everyone to eat well, through support for a range of financial, community, school and local authority initiatives, as well as national schemes to help older people and young families be able to afford good food.

A misguided focus on driving down the price of food as low as possible results in poor quality food and poor health. It also means that someone else along the food system, in the UK or abroad, isn't getting paid a fair wage, animals are being treated badly, or that the food production is causing environmental damage elsewhere.

3. *A food system that is high quality, fair and transparent*

UK farmers have made great strides over recent years to improve animal welfare, and to [reduce antibiotic use](#) and salmonella food poisoning. More work still needs to be done, but the last thing responsible

producers need is for a new trade deal simply to pull the rug out from under their market by allowing cheap, poor quality imports to take over. Many argue that we'll be able to continue to support UK farmers by choosing to buy their products. The reality is that much of the food we eat – in schools, hospitals, take-aways and sandwich shops – has little requirement for labelling, so we won't know what we're eating.

Internationally, we also need to ensure any trade policy is also development-friendly, supporting sustainable farming and food in poor countries and ensuring we support global commitments on the environment, climate change, human rights and UN Sustainable Development Goals.

The Sustain Beer Mat Manifesto

