

## **Trade and Agriculture Commission – call for evidence**

### **How could we address trade barriers to improve UK business competitiveness?**

The Trade and Agriculture Commission (TAC) enquires about addressing tariff and non-tariff barriers but does not specify if it means the United Kingdom (UK) or other countries. Clearly it is in every country's interest to negotiate lower tariff barriers for their exports, while limiting access to imports that might undercut domestic producers. We need to have a UK trade policy that does not incentivise a system of exporting high-quality domestic produce, while permitting the entry of poor-quality imports. This will risk creating a two-tier food system for consumers and incentivising damaging forms of production that have an impact on food safety, human health, working conditions, animal welfare, environmental protection and farmer livelihoods, both here and abroad.

The National Farmers' Union (NFU) have clearly explained that importing low standard produce will undercut British farmers and risk putting many of them out of business. If British farmers lower their standards to be competitive, they will lose access to the European Union (EU) which is their biggest and closest market—the EU currently takes 60% of our food exports.

The [International Trade Commission](#) has found that there is an increasing demand for high standard produce from European consumers. UK sales of organic food and drink have grown for eight consecutive years and is expected to hit £2.5bn by the end of 2020, according to the Soil Association. EU imports of organic bananas from South American countries increased 14.6% between 2018 and 2019. Studies of the EU's Geographic Indicator scheme have found that products with a protected name are valued double that of similar products without a certification.

With the rise of environmentally and ethically conscious purchasing by consumers and values-driven businesses and institutions, there are also signs that substantial demand for sustainable produce is leading to lost business for UK producers. Sustain's [own analysis](#) suggests that UK fisheries could be losing out to as much as £62m of business as domestic buyers seek verifiably sustainable fish to meet customer demand. Such analysis suggests that it would be better for UK producers to gain consumer and government support for maintaining and improving standards, rather than being undercut in a damaging 'race to the bottom'.

However, in our view this issue extends beyond business competitiveness.

US negotiators have been clear that they want the UK to lower their standards to facilitate market access for US agri-food goods. There is also evidence that Australian negotiators will do the same. This includes chlorine washing, growth promoters, banned pesticides, high pesticide residue levels, poor animal welfare, and the dangerous overuse of livestock antibiotics. It also extends into how the UK can implement environmental farming schemes, the appearance of our landscape, and how food is marketed. There is further [evidence](#) that agribusiness lobbying groups with ties to climate denial are pressuring the US-UK trade deal for deregulation.

The UK should not embark on trade deals that facilitate and encourage poor farming systems that are harmful to people and the planet. We would remind the UK government that they have made international and domestic commitments on antimicrobial resistance, sustainable development goals, biodiversity pledges, tackling food related illness (obesity, diabetes etc.), and achieving net zero greenhouse gas emissions. The 2019 Conservative Party Manifesto and previous Conservative government Ministers made clear pledges and commitments not to lower or undermine British food and farming standards.

Instead, we invite the UK government to show genuine global leadership and develop trade deals that remove barriers - either tariff or non-tariff - to importing goods that are genuinely sustainable and which are based on fair trade. Equally, the UK must be prepared to use measures - tariff or non-tariff -

which restrict imports of goods that are produced to lower animal welfare, environment and food safety standards.

We recommend the recent Client Earth report ([here](#)) which outlines the legal basis for how trade tools and measures *can* deliver on environmental and human health objectives. This report clearly states that nations *can* implement measures (tariffs, quotas, hierarchy clauses, interpretive context etc.) that restrict the importation of low standard goods while also being compatible with World Trade Organisation (WTO) rules. Under WTO rules, ‘like’ products which use different process and production methods (PPM) can be deemed ‘unlike’ and therefore subject to restrictions through trade measures.

We would also draw your attention to comments made by [Emily Lydgate](#), the Deputy Director of the United Kingdom Trade Policy Observatory, who made it clear that there is no WTO case law to suggest that the UK could not maintain its food regulations and stay in line with international trade law.

### **How could UK trade policy best advance the UK’s agriculture and food interests? What outcomes would you seek?**

We would like UK trade policy to ensure that ‘like’ agri-food imports meet equivalence to British domestic standards. Trade should also be designed so that it will not be a barrier to improving domestic and overseas environment, animal welfare and food standards going into the future. The government must secure access for UK organic produce into the EU due to importance of this market for those producers. Finally, we would like to see an enhanced Trade and Agriculture Commission that better represent all UK agri-food trade issues—environmental, animal welfare, public health, and consumer demands. The current Commission is also too short-lived and is only advisory, which does not guarantee that government will listen to or implement findings and recommendations.

The UK imports the vast majority of its fruit and vegetables which has been a contributing factor to stifling the domestic horticultural sector. The UK must enable an increase in home grown edible horticultural produce for consumption in Britain. This could be achieved through domestic policy opportunities such as designing rural schemes in a way that is accessible for horticultural growers—including the Sustainable Farming Incentive, Environmental Land Management schemes, Productivity grants, and the UK Shared Prosperity Fund. Trade measures (e.g. quotas on ‘like’ products) could be used to help British growers find market space and opportunities. Increasing British fruit and vegetable production and promotion can help the UK government deliver on a number of manifesto pledges, such as tackling food-related illnesses (e.g. obesity and diabetes) and reducing carbon emissions from overseas transportation. Horticultural businesses also present opportunities for boosting rural economies through providing a greater number of on-farm jobs.

The UK farming sector (which manages roughly 70% of the UK’s land mass) must play a key role in: mitigating and adapting to climate change; reversing biodiversity loss in the UK (and overseas); producing healthy and affordable food for all; reversing soil degradation and inefficient use of water. Principally, trade policy can achieve this by ensuring that British farm businesses are not undercut by cheaper imports produced to lower standards. Low-profit farm businesses often mean that farmers cannot invest in sustainability, efficiency and conservation objectives. Deals must be based on fair and better trade.

Well-designed trade policy can encourage the right balance between supplying domestic markets and opening up good export opportunities. There must be a clear strategy on how British farmers can supply British markets. This might require fairer dealing within the supply chain to ensure that more of the gross value added is returned to the farmer; this Commission could suggest rigorous implementation of the European Unfair Dealing Directive. The School Fruit and Vegetable Scheme is a good example of how government can create domestic market opportunities. However, this requires

a more transformational approach to diet change and creative approaches to promoting fruit and vegetables production, such as use of peri-urban land for agricultural horticulture purposes.

A survey of 150 farmers has revealed deep concerns about the future of British farming being undermined by trade deals ([here](#)). This survey found that 98% believe the UK government are not acting in the best interests of British food and farming.

### **How could we balance protection of consumer and business interests, whilst also offering consumers greater choice, availability and affordability?**

At the present moment, British consumers have access to a wide range of domestic and imported produce that have to meet EU import standards. From January 2021 onwards, the UK can continue to operate in a similar fashion by importing goods to high standards.

We are calling on similar ('like') products to meet equivalent domestic standards; for example, chicken, beef, apples, potatoes and other products that are grown or reared in the UK.

UK consumers have answered every survey put to them with resounding support for British farmers and high standard produce. The public are clear that simply labelling food as of lower standards is not the right solution, and may not even be possible. They also understand the loopholes of such an approach, as much of the food we eat (in restaurants, cafés and takeaways) does not require labelling. The rejection of low standard produce is especially true for people from lower socio-economic backgrounds who are "less likely than those from higher socio-economic households to believe food produced to lower standards should be available in the UK", according to [Which?](#).

On labelling, we would also remind the Commission that the US trade negotiators have made it clear that they would like the UK to change its food labelling, for example, scrapping mandatory labelling rules on GMOs and E numbers and colourants. US negotiators have reportedly showed hostility towards the introduction of health warning labels on food, claiming they are "*harmful*" rather than a step to helping people identify more or less healthy foods. This runs contrary to over 20 years of UK policy to introduce clear, front-of-pack traffic-light nutrition information, to help shoppers easily identify which products are high in fat, salt and sugar.

It is not just the UK that the US raises this issue with. Every year the US government helpfully publishes a report outlining all the barriers they identify as getting in the way of them doing more trade. Their most recent National Trade Estimate shows them arguing with India over traffic light nutrition labelling, warnings about products with artificial sweeteners that are not suitable for children and warning labels on highly caffeinated energy drinks. US trade representatives are frustrated by Mexico's attempt to restrict the use of cartoon characters or celebrity endorsement for the marketing of unhealthy processed foods with nutrition warnings, as well as Saudi Arabia's push to try and limit imports with high levels of salt and sugar to tackle their very high domestic rate of obesity.

This raises serious questions about how the UK government will square its public health policies with consumer interests and these new trade pressures, and is one of the reasons why Sustain believes the Trade and Agriculture Commission needs a public health expert on its board.

We are also fearful that consumers will miss out if their food standards are not protected in law, as they have clearly asked for in every poll put to them. Consumers have been reassured that food standards have been transposed from EU law and any changes need to be put to Parliament. We think they would be surprised to learn that layers of accountability have already been removed and that standards had been inserted into secondary legislation, which can be changed without adequate scrutiny or being put to a vote. It appears that it will now be possible for Ministers to make changes to food standards through purely administrative rather than legislative routes.

## **How could we positively support both ethical trade practices and the interests of developing countries, through our trade negotiations?**

Developing nations *already* trade with us on high standards. If high standards are good for people, the environment and business in the UK, as the Government has argued, then this holds true for countries in the global south too. Trade experts have been clear that enshrining current UK standards in law would not stop or prevent *existing* imports in the future. The proposed standards would only be relevant to equivalent ('like') products and would not impact bananas, tea, coffee, chocolate and other products that we cannot grow in the UK.

The UK should be working with developing countries to help them access markets, while improving their standards in a way that benefits their farmers, consumers and environment. The UK should not be encouraging any status quo of environmental degradation or public health risks. For example, if importing low standard food from countries like Brazil, the UK would be encouraging degradation of the Amazon rainforest while also inadvertently degrading indigenous lands.

As stated earlier, trade deals should prioritise lowering tariffs on genuinely sustainable and ethical goods while using a range of tools to restrict low standard produce. We would reinforce the point that low standard trade deals hurt public health, the environment and workers in developed nation producer countries as well as in developing nations. Sustain has submitted a joint submission with the American Institute of Agriculture and Trade Policy to the Lords International Agreements Committee on this point and has written a blog which you can read [here](#).

## **How could we ensure that animal welfare and environmental priorities are integral to our trade policy?**

The UK government and Parliament should put environment, animal welfare, food, and plant health standards on the face of the Agriculture Bill. Trade talks have been taking place largely in secret and advisers forced to sign non-disclosure agreements if they are to take a seat at discussions. Requests for information are rejected or released documents redacted to the point where they are meaningless.

MPs have no guaranteed debate in Parliament, no guaranteed vote and cannot reject a deal outright. Parliament clearly needs a better role in scrutinising and approving trade deals, especially around agri-food chapters. As stated earlier, the Trade and Agriculture Commission needs a wider membership that represents the breadth of agri-food trade and policy. Representation is currently lacking in climate, environment, animal welfare, public health and consumer demand areas of expertise. This commission must be given sufficient time to scrutinise international trade deals and report their findings and recommendations to Parliament. Based on expert advice and evidence, Parliament must then have a reasonable amount of time to consider and debate trade deals before voting on whether to ratify the agreement as negotiated, table and vote on amendments to the deal, or outright reject it.

Trade deals must be assessed against domestic and overseas climate and biodiversity commitments and targets. For instance, assess whether it could cause unjustifiable and unnecessary impacts to biodiversity and habitats, air and water pollution, and greenhouse gas emissions. There should be an impact assessment on potential economic and public health effects on domestic and overseas farmers and consumers. All trade deals should be assessed against whether they deliver UN Sustainable Development Goals.

The UK government must be prepared to face up to challenges on its food and farming standards. However, Emily Lydgate (Deputy Director of the United Kingdom Trade Policy Observatory) has been very clear that this is not a justifiable reason to lower or undermine them in trade negotiations. We challenge the government to stand up for what is in the best interest of British farmers and consumers—agri-food products that are of the highest standards.

## **How could we advance global agri-food standards and what can we learn from other countries?**

The UK needs to work with other countries to base trade on high standards. Farmers in our network (represented by the Landworkers' Alliance) who are active members of international farmers movements will attest that farmers in developing countries would *welcome* UK leadership in protecting countries' ability to maintain high standards on trade in agricultural food products at the WTO level. Small farmers and workers unions across the world have fought for many years for high standards in trade.

There are numerous examples of how trade based on good standards has been beneficial to developing countries. For instance, the Namibian government introduced an animal welfare assurance scheme so that beef farmers could meet EU import requirements ([here](#)). This led to Namibia becoming the largest exporter of beef to the EU from Africa and it improved domestic animal health and welfare standards that are beneficial to livestock and farmers. In Thailand, the broiler industry, which has enjoyed annual growth in the past 15 years, is developing value-added products to develop markets to counter competition from other countries.

Another example is the Punjabi state government in India banning a group of nine pesticides used on basmati rice helping growers export to the EU ([here](#)). By doing this, rice farmers in Punjab could export to a large EU market and have a safer working environment. This is important to the poorest farm workers because India's official data shows more than 31,000 people died of acute contact with pesticides in 2019 alone.

Therefore, to protect the health and interests of the poorest, it is important to maintain high standards for agri-food imports. This will reduce pesticide use, prevent dangerous antimicrobial resistance, increase the abundance of biodiversity, and improve working conditions in developing countries. The same logic would apply to the improvement of animal welfare standards too, especially where this contributes to greater natural resistance to disease among farm animals.