**COUNTRYSIDE ALLIANCE BRIEFING NOTE**

**INTERNATIONAL TRADE – FOOD, FARMING**

**AND SHOOTING**

**House of Commons, General Debate**

**“Exiting the European Union and Global Trade”**

**Thursday 6 July, after 10:30am**

**Background**

* The decision to leave the EU will have an impact on the countryside and the people who live and work there. Decisions that are made in relation to trade, travel, agricultural and environmental policies, will shape the future of our countryside for a generation and beyond. At the heart of these decisions are defining questions about the kind of landscapes we want to create, the food we want to eat, and the communities we want to develop.
* Trade is one of the three central issues facing the food and farming industry as we leave the EU, along with labour and support payments. Trade is also important for shooting as the majority of firearms and ammunition used in the UK are imported from countries within the EU and the export market for game meat is vital for many shoots.

**Food and Farming**

* Our food and farming industry is nationally important, generating over £108 billion a year for the UK economy and employing one in eight people according to [a recent Government report](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/515048/food-farming-stats-release-07apr16.pdf).
* The UK produces some of the best food in the world, with the highest standards of safety and animal welfare. Our new relationship with the EU, and any new trade deals with non-EU countries, must protect these standards and allow our produce to be promoted globally and compete on the basis of quality, not just price.
1. *Trade with EU countries*
* Trade is vitally important to the success of our food and farming industry. For over 40 years the UK has been part of a single European market, which prohibits tariffs on goods travelling between the UK and other Member States. For agriculture, membership of the Single Market has meant significant protection from non-EU food imports, the creation of an internal market where competition is primarily between Member States, and unrestricted access to the EU market.
* Approximately 62 per cent of UK agricultural exports (by value) go to the EU, while approximately 70 per cent of UK agricultural imports (by value) come from the EU. Food production and the processing supply chain is complex and often involves several countries within the EU. In recognition of the importance of trade with the EU, it is vital that the UK Government seeks to maintain tariff-free access to the EU market for food and agricultural produce. Particular attention should be given to minimising disruption to existing trade relationships between Northern Ireland and the Republic of Ireland.
* Agricultural goods generally carry higher import tariffs than other commodities. If the UK Government does not establish a new trade agreement with the EU prior to leaving and adopts World Trade Organisation terms, the £12 billion worth of food and agricultural produce which the UK exports to the EU each year would face the prospect of high tariffs. [A recent report by the Agriculture and Horticulture Development Board](http://www.ahdb.org.uk/documents/Horizon_june2017.pdf) concluded that a “free trade deal with the EU is of critical importance for the cereals industry”. Without one, UK farmers and producers would be forced to export larger volumes to non-EU destinations and would have to win trade from their existing suppliers by competing on price. There is also an issue that the Middle East and North Africa require grain at 13 per cent moisture content, which is not commonly available in the UK.
* Over 90 per cent of UK beef, sheep, and dairy exports go to the EU and high tariffs would be particularly damaging to some of our most rural areas where farming is a vital part of the local economy and community. The EU market is particularly important for certain cuts of meat and offal where there is little domestic demand and therefore exports are a significant proportion of carcass value. The UK is a high net importer of poultry, pork and vegetables so our trading relationship with the EU is mutually beneficial. The importance of our trade with the EU to different sectors of the food and farming industry has been shown in [a recent report by the Agriculture and Horticulture Development Board](http://www.ahdb.org.uk/documents/Horizon_Brexit_Analysis_Report-Oct2016.pdf).
* The EU is obliged by the World Trade Organisation to offer reduced (or tariff free) import opportunities to certain types of agricultural produce from outside of the EU under Tariff Rate Quotas (TRQ). There is currently a TRQ in place for lamb from New Zealand and hormone-free beef from Argentina and North America which allows an annual quota of meat to avoid the usual import tariffs. The UK Government must ensure that the TRQs for agricultural produce are not passed back to the UK unless there is a guarantee that UK farmers will continue to have tariff-free access to the EU market. Similar guarantees should also apply to the UK’s adoption of any trade deals agreed by the EU where there are quotas on certain foods and agricultural produce.
1. *Trade with non-EU countries*
* As well as maintaining tariff-free trade with the EU, the UK Government must ensure that food and agricultural produce are central to any new trade deals with non-EU countries to open up new export markets. We welcome the UK Government’s continued efforts to open up new markets, particularly in Asia. The value of food and drink exports from the UK to China has increased by over 50 per cent from 2015 to 2016 and is now worth £439.5 million.
* The Agricultural and Horticulture Development Board has estimated that non-EU trade has grown from 34 per cent (by value) in 2010 to 40 per cent (by value) in 2015. However, [their report on the UK’s trade outside of the EU](http://www.ahdb.org.uk/documents/Horizon_NonEUTrade_July19_2016.pdf) warns that the UK may not have the same bargaining power in negotiating trade deals as it benefited from as part of the EU and agriculture must be prioritised if new trade deals are to be a success for UK farmers and producers.
* As the UK Government develops new trading relationships with non-EU countries, it must be ambitious but it must also be pragmatic. A shift towards promoting export markets outside of the EU is likely to increase the need for UK agriculture to become more competitive, but there will be some farmers who will always struggle to compete on price in the global market. Farmers in the uplands, and other marginal areas, are not in fair competition with global producers who are operating in very different environments, often with fewer safety and animal welfare laws to comply with, meaning their production costs are significantly lower than those in the UK. This type of upland and marginal farming does, however, provide a vital public good in maintaining some of our most iconic rural landscapes and their communities. The interests of these farmers must be safeguarded in any new trade deals.
* Food and agricultural produce should be treated as ‘sensitive’ in trade negotiations with non-EU countries to recognise that the high standards of safety and animal welfare which UK consumers expect, and our laws require, adds to the cost of production for our farmers. There are significant differences in legislation and best practice between the UK and many non-EU countries in areas such as biotechnology, hormone growth enhancers, and pathogen reduction treatments. There must be recognition of these differences in any new trade deals to avoid downward harmonisation and a lowering of our high standards. Flooding the domestic market with cheaper imports would put UK farmers at a competitive disadvantage and ultimately risk putting many out of business.

* Many of the countries with which new trade deals are seen as a priority, such as Australia, the USA and Brazil are also large meat exporting countries. These countries are likely to seek extensive agricultural concessions as part of any agreement with the UK and our farmers must not be used as a ‘bargaining chip’ in the negotiations. This is particularly important as World Trade Organisation rules do not allow the process by which something was produced to be taken into consideration when providing state support which is considered to have a distorting effect on the market.
* The ability of the UK to produce its own food must not be undermined by any new trade deals. Skills and experience in the food and farming industry have taken a long time to develop and in many cases would be hard to replace if they were lost. Securing our ability to produce food should not be mistaken for self-sufficiency as the UK will continue to import food and agricultural produce, just as it will continue to export. Food security will be achieved by ensuring fair competition for UK farmers and producers in EU and non-EU markets and this must be a priority for the UK Government.
* UK agriculture underpins our food manufacturing sector by providing over 60 per cent of the produce and raw materials involved. This is a vitally important sector, sustaining 3.8 million jobs and adding over £21 billion (GVA) to the UK economy every year. Food manufacturing is nationally important and benefits communities across the country, although it has particular importance in many rural areas. The UK’s new relationship with the EU and any new trade deals with non-EU countries will be vital to the future success or otherwise of food manufacturing in this country.

**Shooting and Conservation**

* Shooting is worth £2 billion to the UK economy and supports the equivalent of 74,000 full time jobs, according to [a recent independent report](http://www.shootingfacts.co.uk/pdf/The-Value-of-Shooting-2014.pdf).
* People who shoot and hunt benefit from trade and travel opportunities with countries within the EU and these should be retained and developed as part of the UK’s new relationship with the EU and in any new trade deals with non-EU countries.
1. *Firearms*
* The majority of firearms that are used in this country are imported from countries within the EU, particularly Spain and Italy. Importers currently enjoy excellent relationships with manufacturers based in countries within the EU and have few problems importing into this country. The UK Government should seek to maintain tariff-free trade with the EU in firearms, component parts, and ammunition. It is also important that imports do not face other frictions to trade, such as an increase in bureaucracy and regulation which have the potential to disrupt the supply chain and add to costs.
* Some of the world’s finest shotguns and rifles are made in this country and exported around the world. Maintaining tariff-free trade with the EU in component parts is important for our domestic manufacturers as many of them rely on component parts from countries within the EU. The UK Government should use the opportunity of leaving the EU to open new markets for our world-famous guns, particularly in Commonwealth countries.
* Capital expenditure on firearms and ammunition in the UK is over £150 million every year and approximately 820 jobs in the UK are directly linked to the manufacture, sale or servicing of firearms alone. It is vital that these jobs and investment are supported as part of our new relationship with the EU and in any new trade deals with non-EU countries.
1. *Game meat*
* There is a growing market for game meat in this country. Figures for 2015/16 show that sales of game meat in the UK exceeded £100 million and are forecast to rise to £143 million by 2020. We also export a significant amount of game meat to the EU and it is vital that UK producers continue to have tariff-free access to this market.
* As we establish new trade deals with non-EU countries, it is important that UK game meat is promoted in order to develop new markets for our high quality produce around the world. The UK Government should also use the opportunity of leaving the EU to improve the labelling of game meat products. This should include a commitment to extend mandatory country of origin labelling to ensure that only game shot in this country can be labelled ‘British’.
1. *Gamebirds*
* The majority of shoots in this country rely to some extent on reared gamebirds and many shoots import gamebird eggs or chicks from countries within the EU. At present, approximately 50 per cent of pheasants (14 million) and 75 per cent of redleg partridges (5.3 million) reared and released in this country come from eggs or chicks imported from countries within the EU. It is important that these imports are able to continue in order to ensure that shoot providers have a range of options for sourcing gamebirds.
* The current EU regulations on the welfare of animals during transportation require high standards covering journey times and distance, accommodation and feed, veterinary checks, and training for handlers and hauliers. We would welcome a continuation of these standards as part of our new relationship with the EU. However, it is vital that the negotiations are not used to advance an anti-shooting agenda by restricting the movement of gamebird eggs and chicks.
* Leaving the EU presents an opportunity for UK gamebird farmers to increase supply for the domestic market. The UK has some of the highest standards of animal welfare in the world and this includes gamebirds reared for sporting purposes. The Animal Welfare Act 2006 provides the general principles of welfare in England and Wales and there are specific statutory codes of practice in place. We encourage the UK Government to recognise the high standards of welfare to which UK gamebird farmers adhere and look at measures to support domestic producers.

**The Countryside Alliance calls for:**

* **Government to seek tariff-free trade with the EU in food and agricultural produce.**
* **Government to seek tariff-free trade with the EU in firearms, component parts and ammunition, and ensure that the negotiations to leave the EU are not used to advance an anti-shooting agenda by restricting trade in these areas.**
* **Government to ensure that any new trade deals with non-EU countries recognise and protect the high standards of safety and animal welfare which UK consumers expect and which our farmers and producers adhere to.**
* **Government to continue to develop new international markets for food and agricultural produce, and secure terms of trade that allow UK farmers and producers to compete on the basis of quality, not just price.**

**For more information please contact:**

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