



BRIEFING PAPER

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Brexit: Agriculture and Trade

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Summary

Policy changes and the outcome of Brexit negotiations will impact on UK agriculture and UK trade trends in agricultural products. EU membership has driven agricultural support and funding through the Common Agricultural Policy, trade arrangements through the single market and external tariffs and supply of labour to UK farms. This paper explores some of the implications of Brexit for agriculture and trade.

The UK exported around £20 billion of food, feed and drink in 2016.¹ Scotch whisky was the largest single export at £4.1 billion. The UK imported £43 billion meaning that the UK has a trade deficit in these products. There is a deficit with both the EU and with non-EU countries (taken as a whole).

The EU is an important trading partner in these products, accounting for 60% of exports and 70% of imports. The Irish Republic is the UK's largest export market: UK exports of food, feed and drink to Ireland were £3.3 billion in 2016. Seven of the UK's top 10 export markets are EU member states. On the imports side, the UK imported more from the Netherlands than any other country in 2016. The top nine countries from which the UK imported food, feed and drink in 2016 were EU members.

Trade between EU member states is tariff free. Imports from outside the EU are subject to tariffs which are high in some cases. The EU also has a regime of "tariff rate quotas" (TRQs) which allow a certain volume of particular products to be imported into the EU at a reduced tariff rate.

The Government's intention is to secure a free trade agreement with the EU to allow free and frictionless trade between the UK and EU. If there is no agreement, then tariffs would be imposed on UK exports to the EU and vice versa. As tariffs are often high in agriculture and the EU accounts for a large share of UK exports, this could have a significant effect on UK agriculture. The UK and EU will also have to find a way of splitting the TRQs between them.

After Brexit, the UK Government will be able to decide the level of the tariffs it imposes on imports into the UK. The Government has said that it wishes to retain the current EU schedule of tariffs initially. In the longer term, the UK will need to decide whether it wants to retain these tariff levels or change them. Reducing tariffs would lower prices for consumers but mean more competition for UK farmers from imports. The industry argues that this would risk undercutting the UK's high environmental and animal welfare standards. The value of sterling has declined since the referendum, and the short term impact of Brexit to date has been increased pressure on food and drink prices for consumers, which in turn has boosted farm incomes (although they also face higher costs), along with exchange rate gains from single farm payments.

On leaving the EU customs union, the UK will be able to negotiate its own free trade agreements. This has the potential to open up new markets for UK agriculture. It remains to be seen how easy these trade negotiations will be. Examples have already been raised where there could be issues such as around the import of hormone-fed beef and chickens washed in chlorine which are currently banned in the EU.

¹ This category includes raw agricultural products but also lightly processed food products such as butter and cheese and more heavily processed food items such as confectionery.

1. Introduction

UK agriculture has been heavily influenced by EU membership. Membership of the EU affects farming in a number of ways including through the Common Agricultural Policy, trade arrangements and by allowing free movement of people. Some argue that Brexit allows the UK an opportunity to develop new policies which could have a profound effect on UK agriculture. In developing its own agricultural policy, the UK will need to respect international environmental obligations and trade obligations, such as those imposed by the World Trade Organization (WTO).²

Agricultural issues can be a sticking point in trade negotiations. The interests of consumers and producers need to be balanced. Other issues, such as food security, differing approaches to ensuring food safety, animal welfare and environmental standards, are also likely to come into the equation. Agricultural interests may also have to be balanced against those of other industrial sectors. It has been suggested that the agricultural sector is worried that it may lose out from future trade deals:

The sector is already nervous about the extent to which agricultural trade will be sacrificed to obtain preferential trade agreements with non-EU countries. Many of these countries may regard access to the UK food market as a valuable benefit to offset increased UK access to their industrial and services markets.³

Brexit is likely to mean new trade relationships with both the EU and countries outside the EU. The importance of these new relationships to the UK farming industry is described as follows by the National Farmers Union (NFU):

It is hard to overstate the potential international trade implications of Brexit for UK farmers. Whatever the eventual outcome from the forthcoming negotiations, there are likely to be significant changes to the competitive landscape in which our farmers operate. These may result from changes in the size and location of markets for our goods, in the associated costs of selling into those markets, and in the access granted to UK markets for food and farming products from overseas.⁴

Agriculture is also a devolved issue. The administrations in Cardiff, Edinburgh and Belfast will have an interest in the Brexit negotiations, adding a further layer of complexity. The Irish border issue is particularly important given the volume of agricultural trade passing across it.

This paper is structured as follows. Chapter 2 provides some statistics on UK trade in agricultural products. Chapter 3 sets out the UK's current trading arrangements. Chapter 4 looks at possible future trade

² DEFRA evidence to Environmental Audit Committee, [The Future of the Natural Environment after the EU Referendum](#), 6th report of 2016-17, HC 599, 4 January 2017, para 9

³ Carmen Hubbard, David Harvey and Anne Liddon, The politics of agriculture, in [EU referendum: one year on, UK in a changing Europe](#), June 2017

⁴ NFU, [A New outlook on international trade](#), May 2017

arrangements and their implications. The issue of migrant labour in agriculture is discussed in a separate Library note, [Migrant workers in agriculture](#). Other relevant Library briefings include:

[Fishing, farming and UK consumers after Brexit](#), House of Commons Library blog, 23 June 2017

[Brexit: trade aspects](#)

[Brexit: impact across policy areas](#)

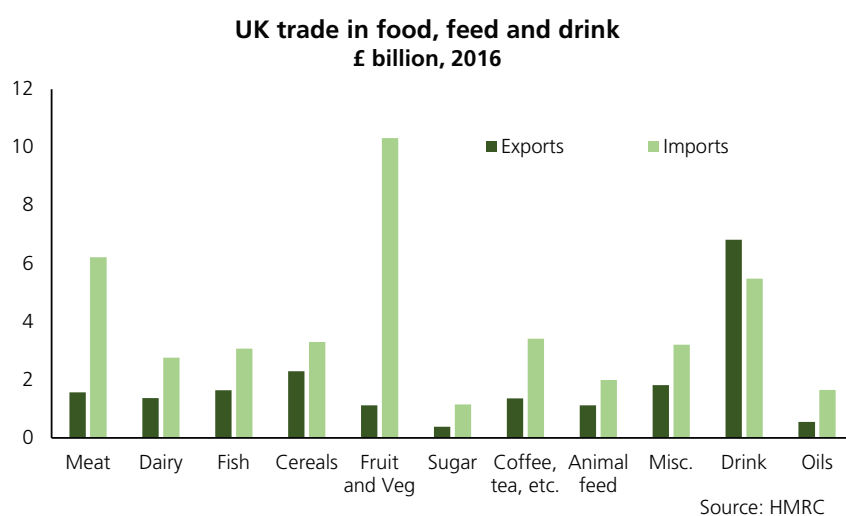
2. Statistics on UK agricultural trade

UK exports of food, feed and drink were £20 billion in 2016 compared with imports of £43 billion.⁵ The largest categories of exports were beverages (much of which is accounted for by Scotch whisky – see Box below), cereals and fish. The largest categories of imports are fruit and vegetables, meat and beverages. The chart below shows a breakdown by product of UK trade.⁶ The UK has a deficit in all categories except beverages.

Box 1: Statistics on food, feed and drink

The statistics used in this note are mainly for “food, feed and drink”. This is used by Defra in [Agriculture in the United Kingdom 2016](#) (see chapter 13). It includes a wide range of products including raw agricultural products, lightly processed foods (eg meat, cheese, butter) and more heavily processed goods such as confectionery and canned meats. It also includes beverages and animal feed.⁷

The majority of the products in this category are processed. Of the UK’s £20 billion exports, £11.7 billion are highly processed, £6.5 billion lightly processed and £1.8 billion unprocessed. On the import side, £15.6 billion are highly processed, £18.4 billion lightly processed and £8.5 billion unprocessed.⁸



⁵ The food, feed and drink category is used by Defra in [Agriculture in the United Kingdom 2016](#) (see chapter 13). It includes a wide range of products including raw agricultural products, lightly processed foods (eg meat, cheese, butter) and more heavily processed goods such as confectionery and canned meats. It also includes beverages. Of the £20 billion exports, £11.7 billion are highly processed, £6.5 billion lightly processed and £1.8 billion unprocessed. On the import side, £15.6 billion are highly processed, £18.4 billion lightly processed and £8.5 billion unprocessed Defra , [Agriculture in the United Kingdom 2016](#), p102

⁶ The figures in the chart cover UK trade with both EU and non-EU countries.

⁷ The Standard Industrial Trade Classification categories included in food, feed and drink are 01-09, 11, 22 and Section 4.

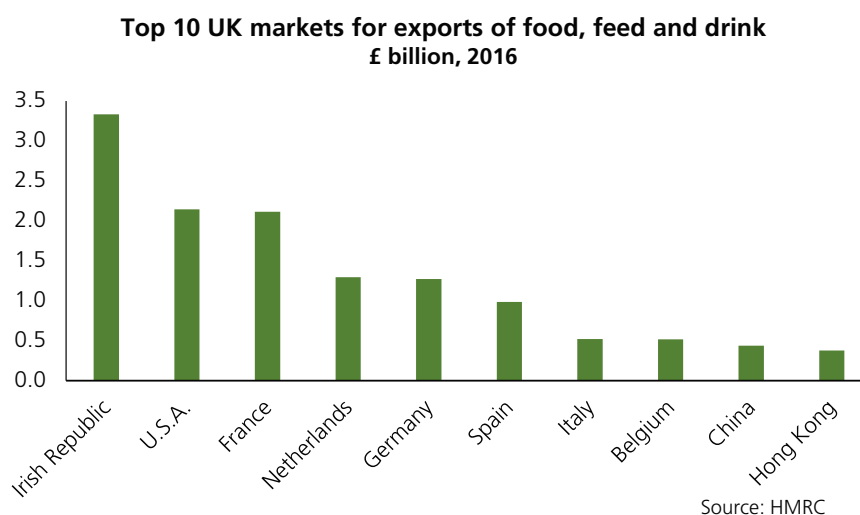
⁸ Defra , [Agriculture in the United Kingdom 2016](#), p102

Box 2: Whisky exports

Whisky exports were £4.1 billion in 2016, making it the largest export in the food, feed and drink sector.⁹ Scotch whisky is often cited as an example a successful UK export product. The EU accounted for 31% of whisky exports, North America 26% and Asia 20%. The US is the largest single market accounting for £856 million of exports, followed by France (£426 million) and Singapore (£225 million). Spain and Germany are the only other EU member states in the top 10 export markets.¹⁰

The EU is a key trading partner for the UK in food, feed and drink. The EU accounted for 60% of exports of these products and 70% of imports in 2016.¹¹ The UK has a trade deficit in food, feed and drink with both the EU and non-EU countries (taken as a group).

The Irish Republic is the largest UK export market for food, feed and drink. UK exports to the Irish Republic were £3.3 billion (17% of the total) in 2016. The chart below shows the top 10 UK export markets in 2016 for food, feed and drink. Seven of the top 10 are EU member states with the other three being the US, China and Hong Kong.



The UK imported most from the Netherlands (£5.1 billion, 12% of the total) in 2016, followed by the Irish Republic (£4.0 billion, 10%) and France (£4.0 billion, 10%).¹² The top 10 countries from which the UK sources food, feed and drink imports are shown in the chart below. The top 9 are all EU member states. The US is the only non-EU country in the top 10.

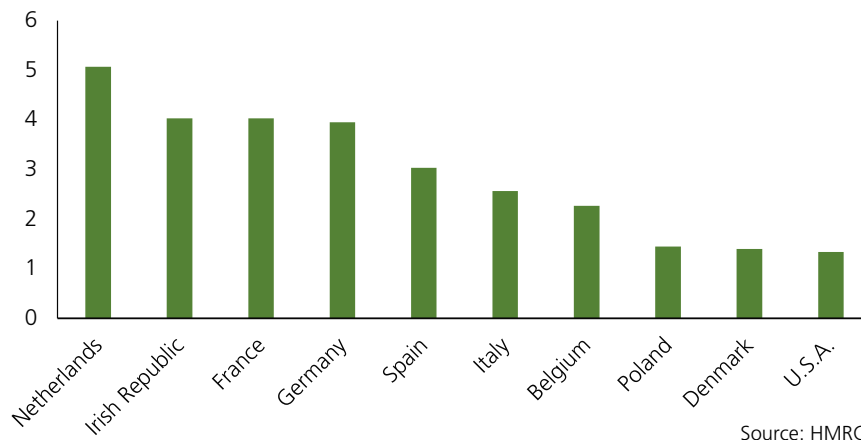
⁹ Defra, [Agriculture in the United Kingdom 2016](#), p97

¹⁰ Scotch Whisky Association, [Scotch Whisky Exports 2016 – Analysis](#), 28 April 2017 (see Annex)

¹¹ DEFRA, [Agriculture in the United Kingdom 2016](#), p96

¹² DEFRA, [Agriculture in the United Kingdom 2016](#), p93 and 96

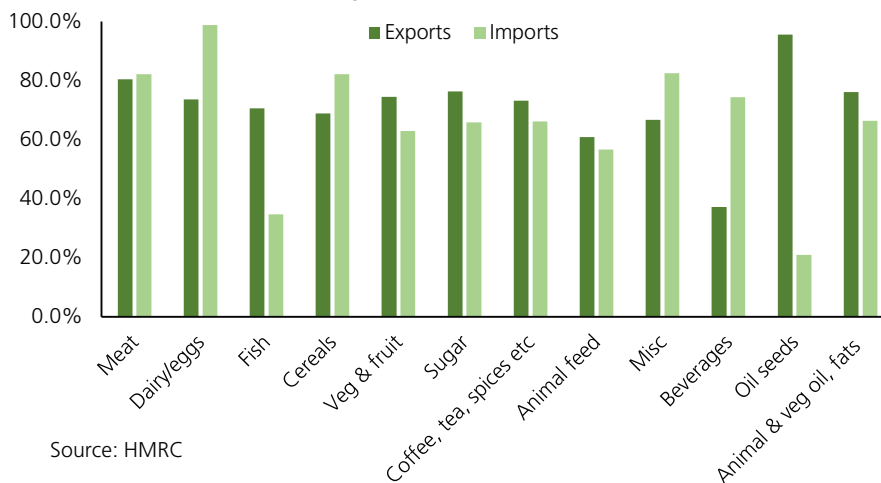
**Top 10 sources of UK imports of food, feed and drink
£ billion, 2016**



Over 80% of UK meat exports went to the EU and over 70% of exports of dairy/eggs, fish and fruit and vegetables. Over 80% of UK meat imports and nearly 100% of imports of dairy/eggs came from the EU over the nine months to March 2017.

The proportion of UK trade accounted for by the EU in various product categories is shown in the chart below. The low proportion of beverages exported to the EU is partly due to whisky exports. These make up about 60% of the beverages category. Around 70% of whisky exports are to non-EU countries.

**Proportion of UK trade with EU
July 2016 to March 2017**



Some other areas where the EU accounts for a large share of UK trade are:

- **Wheat:** the EU accounted for nearly 75% of UK exports in 2016.¹³
- **Barley:** the EU accounted for over 70% of UK exports in 2016.¹⁴

¹³ DEFRA, [Agriculture in the United Kingdom 2016](#), Table 7.2

¹⁴ DEFRA, [Agriculture in the United Kingdom 2016](#), Table 7.3

- **Pigs and pig meat:** imports from the EU were 800,000 tonnes in 2016 while imports from the rest of the world were negligible.¹⁵
- **Sheep and sheep meat:** The UK exported 88,000 tonnes of sheep meat to the EU in 2016. Exports to non-EU countries were negligible.¹⁶
- **Beef and veal:** The UK imports around a third of the beef and veal it consumes. The EU supplies over 90% of imports with Ireland the dominant supplier.¹⁷

The EU is a particularly important export market for Northern Ireland. Nearly 90% of Northern Ireland's exports of food, feed and drink went to the EU over the nine months to March 2017. Of this, three quarters went to the Irish Republic. 70% of exports of food, feed and drink from Wales went to the EU. For Scotland the figure was 43%. This is relatively low due to the majority of Scotch whisky exports going outside the EU. Excluding beverages, the figure is 70%. 63% of England's food, feed and drink exports went to the EU.

¹⁵ DEFRA, [Agriculture in the United Kingdom 2016](#), Table 8.2

¹⁶ DEFRA, [Agriculture in the United Kingdom 2016](#), Table 8.3

¹⁷ House of Lords European Union Committee, [Written evidence from British Meat Processors Association](#). This evidence contains a discussion of the issues affecting trade in different types of meat.

3. Current trade arrangements

3.1 The single market and customs union

There is free movement of agricultural goods within the EU. There are no tariffs or quotas on trade between member states. A common regulatory regime aims to make trade between member states easier.

As part of the customs union, the EU sets a common external tariff on goods imported into the EU from non-member states and goods can pass tariff-free between member states. The level of the external tariff varies from product to product but for any given product, the tariff rate is the same across all EU member states. The customs union essentially removes the need for customs checks on trade between member states but prevents individual member states making their own free trade agreements.

3.2 Tariffs

Goods imported into the EU are subject to import taxes, known as tariffs. Tariffs on agricultural products tend to be considerably higher than non-agricultural goods. The average EU tariff on agricultural goods was 10.7% in 2015 compared with 4.2% for non-agricultural goods.¹⁸

The average EU tariff on dairy products is over 30% and on sugars and confectionery over 20%. Some individual products have tariffs over 100%.¹⁹

Imports from certain countries may pay lower tariffs if they have a free trade agreement with the EU. Some developing countries also have preferential access.

3.3 Tariff rate quotas

While the EU's tariffs on agricultural products are generally high, the EU also has a system of "tariff rate quotas" (TRQs). These allow imports to come into the EU at a lower tariff rate up to a set level. Above this threshold the standard tariff applies. The EU's TRQs include dairy, beef, lamb, poultry meat, sugar, fruit and vegetables.²⁰ For example, the quota on imports of lamb from New Zealand's is 228,254 tonnes but it has not exhausted this in recent years. By contrast, Australia has filled its much smaller quota. The UK is the largest EU importer of lamb from the global market.²¹

There are 128 TRQs accounting for 6% of the EU's agri-food imports in 2014.²²

¹⁸ These figures are simple averages (ie not trade-weighted) of the Most-Favoured Nation (MFN) applied tariffs. Source: WTO, [World Tariff Profiles 2016](#), p81

¹⁹ Source: WTO, [World Tariff Profiles 2016](#), p81

²⁰ House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017, para 45

²¹ House of Lords European Union Committee, [Written evidence from British Meat Processors Association](#).

²² Alan Swinbank, [World Trade Rules and the Policy Options for British Agriculture post Brexit](#), UK Trade Policy Observatory, January 2017, p6

The EU also benefits from some export TRQs, as a result of free trade agreements. These enable the EU to export agricultural products at reduced tariffs up to a certain amount.

3.4 Non-tariff barriers

Besides tariffs and tariff rate quotas, trade in agricultural products is also subject to non-tariff barriers. These include sanitary and phytosanitary (SPS) rules relating to plant and animal health. For example, imports of beef from animals treated with growth hormones are banned by the EU.²³

²³ House of Lords European Union Committee, [Written evidence from British Meat Processors Association](#)

4. Future trade arrangements

4.1 Trade with the EU

The Government's policy is for the UK to leave the EU single market and customs union after Brexit. The Brexit White Paper said:

The Government will prioritise securing the freest and most frictionless trade possible in goods and services between the UK and the EU. We will not be seeking membership of the Single Market, but will pursue instead a new strategic partnership with the EU, including an ambitious and comprehensive Free Trade Agreement and a new customs agreement.²⁴

Box 3: Agricultural Subsidies and Trade

Leaving the EU will mean that the UK will need to design its own agricultural policy to replace the Common Agricultural Policy (CAP). This will happen in the new session of Parliament, with an Agriculture Bill included in the Queen's speech. A key part of any new agriculture policy will be to determine how farmers are supported; the CAP provides direct payments and rural development grants to farmers worth around £3.3 billion (in 2016).

Any future policy outside the EU is likely to be constrained by WTO rules on agricultural subsidies. These classify support into [boxes](#) based on how directly the support may distort trade. At the moment most EU support falls into the 'green box', but as a blog from the UK Trade Policy Observatory highlights,²⁵ how EU allocations are split and how any future UK support is interpreted will determine compatibility with WTO rules.

In the absence of a trade agreement with the EU, trade between the UK and EU would revert to WTO rules. UK exports to the EU would be subject to the EU's tariffs. This could have a significant effect on UK agriculture given the size of agricultural tariffs and the high proportion of UK exports going to the EU. The Lords EU Committee report on Brexit and agriculture concluded:

The UK is a net importer of food and therefore a very attractive market for agri-food products both from the EU and globally. We expect this to give the UK a strong position during trade negotiations for those products both with the EU and, after Brexit, with third countries.

Nevertheless, leaving the Single Market and the Customs Union will create significant uncertainty for the UK agri-food sector. The EU is the single largest market for UK agriculture and food products, and our witnesses were clear that preserving tariff and non-tariff barrier free trade with the EU should be a priority. If the UK leaves the EU without agreeing a comprehensive UK-EU FTA, or a form of transitional arrangement, UK-EU trade would have to proceed according to WTO rules. Many of our agricultural producers, and our food manufacturers, would incur substantial costs associated with tariff and non-tariff barriers when exporting

²⁴ HM Government, [The United Kingdom's exit from and new partnership with the European Union](#), Cm 9417, February 2017, p35

²⁵ Alan Swinbank, [World Trade Rules and the Policy Options for British Agriculture post Brexit](#), UK Trade Policy Observatory, January 2017, p5-6

to the EU, with sectors such as pig and sheep meat at particular risk.²⁶

If no trade deal with the EU is struck, UK imports from the EU would also be subject to UK tariffs, pushing up prices for UK consumers and food processing companies. The UK needs to set out its own schedule of tariffs and TRQs at the WTO. The Government has said that it wishes to replicate as far as possible the EU's existing set of tariffs at least in the short term.²⁷ Under WTO rules on non-discrimination, the tariffs set on imports from the EU have to be the same as those set on imports from non-EU countries, in the absence of a free trade agreement.

Trade could also be subject to non-tariff barriers if rules on product standards or other issues diverge between the UK and the EU. Leaving the customs union means the potential for customs delays. These are of particular concern for the food industry. The International Meat Traders' Association said:

In an industry where supermarket shelves are filled just in time any delays at borders would be problematic. In the meat sector currently non-EU imports must be checked by a vet at a border inspection post (a hygienic facility for the inspection of foodstuffs) and the industry needs a clear view of how EU imports will be treated post-Brexit. If the UK is to continue exporting meat to the EU there is a big question around whether it will face veterinary checks, tariffs and requirement for customs clearances.²⁸

The House of Lords European Union Committee pointed out some of the risks from diverging standards between the UK and EU after Brexit:

Non-tariff barriers could be equally if not more disruptive to trade in agricultural products and food. Products must meet the standards of the EU market in order to enter it. If UK and EU regulatory frameworks begin to differ after Brexit, there is a risk of substantial non-tariff barriers for agri-food producers. The greater this divergence, the greater the need for customs checks and certification of products and production facilities. This could be costly and time consuming for UK farmers and food manufacturers wishing to export to the EU.²⁹

4.2 Trade with the Irish Republic

The issue of trade across the Irish border is particularly important. Given the volume of agricultural and food trade across the border, any trade barriers would be particularly harmful here.

Professor Alan Swinbank, Emeritus Professor of Agricultural Economics at Reading University, said:

Again, the Irish border springs to mind. Ireland is a major exporter of livestock products to the UK; highly integrated supply chains link manufacturing activities north and south of the border; and shoppers are readily attracted by price differences between border

²⁶ House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017, pp 76-77

²⁷ [HCWS316](#) Written Statement 5 December 2016

²⁸ IMTA, [IMTA calls for government to address practical implications so Brexit opportunities can be seized](#)

²⁹ House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017, para 110

towns. Whilst modern computer and tracking systems could minimise the need for border checks on manufactured goods, would that suffice for livestock, agricultural commodities, and food? Smuggling of livestock in particular was a feature of this border during the Troubles in the past.³⁰

The House of Lords EU Committee's report said:

Agri-food supply chains are particularly highly integrated between Northern Ireland and the Republic of Ireland. The re-introduction of border controls and tariffs could severely disrupt this industry, and could lead to an increase in cross-border smuggling. We therefore repeat the recommendation made in our report on *Brexit: UK-Irish relations* that the Government should make every effort to avoid the re-introduction of customs controls on the Irish land border.³¹

4.3 Tariff rate quotas

On leaving the EU, a decision will need to be made on splitting the current TRQs between the UK and EU. Some way of accommodating UK-EU trade within the quotas might also have to be found if no trade deal is concluded.

In its report on Brexit and agriculture, the House of Lords EU Committee noted that coming to an agreement on the division of the EU's TRQs could be "challenging" because the reallocation would be open to negotiation by the WTO members. It recommended that the Government analyse current patterns of trade under the existing TRQs and the effects of a proposed split on agriculture and food manufacturing sectors.³²

The NFU has stressed the importance of the TRQ issue:

Agreement of appropriate size for these TRQs is of great concern to UK farmers, especially those in the livestock sector.³³

4.4 Trade with non-EU countries

Leaving the EU customs union means the UK will be free to set its own tariffs. The Government has said it wants, as far as possible, to keep the same set of tariffs as are applied by the EU, at least in the short term.

Longer term, a decision will be needed on whether to cut these tariffs which would reduce prices for consumers but mean more competition for farmers (see below).

The EU has a range of free trade agreements with other countries. While the position is not entirely clear, the weight of evidence suggests that the UK will no longer benefit from these after Brexit and would need to renegotiate them.

³⁰ Alan Swinbank, [World Trade Rules and the Policy Options for British Agriculture post Brexit](#), UK Trade Policy Observatory, January 2017

³¹ House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017, p77

³² House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017, para 68

³³ NFU, [A New outlook on international trade](#), May 2017

After Brexit, the UK may also wish to negotiate free trade deals with countries which do not have a FTA with the EU. There may be some sticking points relating to agriculture. For example, the US, New Zealand and Australia (three countries often mentioned as early candidates for a UK FTA) may well demand improved access to the UK market for their agricultural sector. Issues around imports of chlorine-washed chicken, hormone-fed beef and genetically modified organisms were also areas of controversy in the TTIP trade negotiations between the EU and US.³⁴

4.5 Issues raised by trade liberalisation

Leaving the EU customs union will allow the Government to set its own tariffs on agricultural products. While the Government has said it wishes to keep the EU's current tariffs, in the longer term a decision will need to be taken over whether to maintain the current high level of tariffs or to cut them. There are differing views on this issue.

Some have called for liberalisation of agricultural trade. This would involve reducing or abolishing high agricultural tariffs, reducing prices for consumers.³⁵ The Institute of Economic Affairs makes the case as follows:

We could impose lower tariffs on the whole world, or else abolish tariffs altogether ([the unilateral free trade option](#)). This would not only lower prices in our shops directly and hugely reduce administrative burdens associated with tariffs and quotas, but would also lead to changes to the structure of agriculture to meet new demands and compete globally. The result of this competition would be a more innovative, productive agricultural sector – which is why, although the government has committed to maintaining agricultural support on Brexit, in the longer term we should abolish the subsidies too.³⁶

However, the farming industry argue that UK farmers produce food to high environmental, health and welfare standards, pushing up costs. Liberalisation would put these standards at risk.³⁷

The NFU told the Lords EU Committee:

In addition, because of the quality and global recognition of British produce, we recognise that we also have an opportunity outside Europe to grow our exports to new markets around the world. But the future terms of access to the UK market matter. A potential unilateral lowering of British tariffs would be damaging, especially but not exclusively for our livestock sectors. Likewise, bilateral free trade arrangements with countries like New Zealand or Brazil must be entered into in full knowledge of the potential impact on UK producers. The economic message is clear – many UK farm businesses would be put at significant competitive

³⁴ 'A chance to liberalise British agriculture' [editorial], *Financial Times*, 22 January 2017. 'Agricultural yield' [editorial], *The Times*, 21 February 2017

³⁵ A chance to liberalise British agriculture' [editorial], *Financial Times*, 22 January 2017. 'Agricultural yield' [editorial], *The Times*, 21 February 2017

³⁶ Ryan Bourne, [Brexit could slash food prices – but only if we make it a free-market Brexit](#), IEA blog, 18 October 2016

³⁷ Back British farming in the post-Brexit world, letter to Financial Times from Nick von Westenholz, NFU, 29 January 2017

disadvantage if current tariff barriers were removed or slashed without great care being taken to ensure a level playing field.³⁸

Similarly, the National Pig Association told the Committee:

The level of protection afforded to the EU pig sector by import tariffs is significant ... With pig production costs in the USA, Canada and Brazil considerably lower than in the UK (due to lower welfare, legislation and environment standards) the removal or reduction of tariffs for pork products from those countries will have a significant negative impact on British pork producers.³⁹

The Lords Committee noted that:

The Government is currently giving mixed messages to the agricultural sector. Its vision for the UK as a leading free-trade nation with low tariff barriers to the outside world does not sit easily with its declared commitment to high quality and welfare standards in the UK farming sector. Combining and delivering these two objectives will be a considerable challenge.⁴⁰

Recently the new Secretary of State for the Environment, Food and Rural Affairs, Michael Gove, told BBC Farming Today that:

Two things are critically important: we need to maintain, and where possible, enhance environmental and animal welfare standards. We have a good track record on both areas and don't want to see either of them diluted or eroded.⁴¹

Box 4: Geographical indications

The EU has a scheme where certain agricultural, food or drink products associated with a particular region are given protected status. These are known as geographical indications (GIs). Examples include Parma ham and Roquefort cheese.⁴² UK protected products include Melton Mowbray pork pies, Cornish pasties, Yorkshire Wensleydale cheese, Welsh beef, Welsh lamb, Armagh bramley apples and Scotch whisky.⁴³ A list and map of protected names are available on the [Defra website](#). The scheme gives these products legal protection from imitation or misuse of their name within the EU.

The EU seeks to extend GI protections through its trade policy through both multilateral and bilateral approaches. The latter include both standalone agreements on GIs as well as including GIs in free trade agreements. For example, the EU's recently concluded trade agreement with Canada (CETA – the Comprehensive Economic and Trade Agreement) contains provisions on GIs, although no UK products are covered.⁴⁴

In December 2016, the NFU (and other farming organisations) wrote to Andrea Leadsom (then Secretary of State for Environment, Food and Rural Affairs) expressing concern about the possible loss

³⁸ House of Lords European Union Committee, Brexit: agriculture, [Supplementary evidence from NFU](#)

³⁹ House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017, para 40

⁴⁰ House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017, p4

⁴¹ 'Brexit 'will enhance' UK wildlife laws – Gove', BBC News website, 19 June 2017

⁴² European Commission, [Geographical indications](#)

⁴³ Defra, [Protected food name scheme: UK registered products](#), 7 June 2017, Agriculture and Horticulture Development Board, [The impact of Brexit on protected food names](#), 6 December 2016 (see Appendix) and Scotch Whisky Association, [SWA submission to Treasury Committee inquiry](#), 12 November 2015, para 6d

⁴⁴ European Commission, [CETA chapter by chapter](#) (see Articles 20.16 to 20.23) and [Annex 20-A](#)

of food name protection as the UK leaves the EU. The NFU said it wished to see the continuation of this protection in the UK and called on Defra to make clear its plans to maintain this protection.⁴⁵

A PQ in October 2016 asked the Government about its approach to protecting Scottish products after Brexit. The Government's response to this PQ said:

We fully support the UK's iconic, world-class traditional products such as Scottish Farmed Salmon, Scotch Beef and Scotch Whisky, which provide and support thousands of jobs across Scotland and the UK and accounts for a large proportion of UK exports.

We fully recognise the importance of ensuring that the protection for products such as those currently registered under the Protected Food Name and Geographical Indication schemes continues after the UK has left the EU. We are looking at how best to do this and we will continue to work with producers to ensure protections are in place in the future.⁴⁶

The Agricultural and Horticultural Development Board paper on protected food names says:

When the UK leaves the EU, registered protected food names should be able to benefit from EU protection against imitation, provided there is a reciprocal agreement between the UK and the EU. There are currently 23 EU GI product registrations from non-EU countries. If the UK wishes to register protected food names post-Brexit with the EU, it would first need to set up its own national approval scheme. Only when products have been approved by a non-EU country's own national scheme can they be considered for approval under the EU protected food scheme. These products would also be protected by countries which have a Free Trade Agreement or bilateral agreement with the EU.⁴⁷

The system of GIs is described in a paper by the Agricultural and Horticultural Development Board⁴⁸ and in the WTO's Trade Policy Review of the EU.⁴⁹ There is also information on the Defra⁵⁰ and European Commission websites.⁵¹

Box 5: Chicken and beef imports

Two areas around food safety and welfare that have been raised since Brexit are the import of chicken which has been washed in chlorine and beef which has been produced using growth hormones.⁵²

Rules on meat safety

EU rules on meat safety require that only water is used to clean meat during processing but with hygiene requirements during processing to reduce risks of contamination.⁵³ These rules restrict the use of pathogen reduction treatments (PRTs) on meat, which are antimicrobial rinses used in some other

⁴⁵ NFU, Brexit: [The Future of Protected Food Names](#), 19 December 2016

⁴⁶ [PQ 47478 \[on food labelling\] 17 October 2016](#)

⁴⁷ Agriculture and Horticulture Development Board, [The impact of Brexit on protected food names](#), 6 December 2016

⁴⁸ Agriculture and Horticulture Development Board, [The impact of Brexit on protected food names](#), 6 December 2016

⁴⁹ WTO, [Trade Policy Review, Report by the Secretariat, The European Union](#), (WT/TPR/S/317 Rev 1), 21 October 2015, pp107-110

⁵⁰ Defra, [EU protected food names: how to register food or drink products](#), 27 March 2017

⁵¹ European Commission, [Geographical indications](#).

⁵² For example, see paras 135-139 of the House of Lords European Union Committee report, [Brexit: agriculture](#)

⁵³ This is set out in [article 3 of regulation EC853/2004](#)

countries such as the US to ensure meat is clean after processing. Some of these treatments contain chlorine.⁵⁴ The UK Poultry industry was the subject of an adjournment debate in March 2017.⁵⁵

Rules on hormones in meat

In the EU, the use of hormones for growth promotion in animals has been banned since 1981. It has been subject to a number of updated Directives since, with the last being [Directive 2003/74/EC](#). The directive restricts the use of hormones and the import of meat products where hormones have been used. The directives allow some limited use for specific reasons.⁵⁶ Growth hormones are widely used in beef production in the US as well as some other non-EU countries.⁵⁷

4.6 Consumers and Brexit

The UK's new trade policy will have an impact on consumers as well as the agricultural sector. A key issues article from the Library, also available from the second reading blog, highlights some of the trends that may affect consumers: [Fishing, farming and UK consumers after Brexit](#).

Some have argued that trade liberalisation and changes to support regimes will lead to a fall in food prices for consumers (which would have a corresponding effect on farmers selling in the UK).⁵⁸ Others point out that if the UK maintains current tariff levels, and these then apply to EU goods as a result of any new trade arrangement, consumers may face higher prices due to the reliance on imported food from the EU.⁵⁹ In the longer run, changes in agricultural support and exposure to different trading arrangements may change the production and structure of the UK farming industry, which will feed through into the products and prices consumers face.

However, in the short term, and since the Brexit referendum, food prices have highlighted the UK's reliance on food imports – food prices have been rising due to the fall in the value of sterling, whilst input prices for supplier and retailers are also under pressure from the value of the pound.⁶⁰ At the same time this has boosted farm incomes, through increased export competitiveness and higher CAP payments (values are set in euros).⁶¹

⁵⁴ A study for the European Parliament in 2014 provides more detail on the issue, including the concerns of the US: "[Risks and opportunities for the EU Agri-food sector in a possible EU-US trade agreement](#)", Study for the *European Parliament*, July 2014. A note from the Congressional Research Service sets out the position from a US perspective: "[U.S.-EU Poultry Dispute on the Use of Pathogen Reduction Treatments \(PRTs\)](#)", Congressional Research Service, 7 January 2017

⁵⁵ [HC Deb 13 March 2017 c150](#)

⁵⁶ European Commission, [Hormones in Meat](#)

⁵⁷ For more information on the US position see: Congressional Research Service, [The U.S.-EU Beef Hormone Dispute](#), 9 January 2017

⁵⁸ ['Here's how we could see lower food prices after Brexit'](#), The Telegraph, 5 May 2017

⁵⁹ Alan Swinbank, [World Trade Rules and the Policy Options for British Agriculture post Brexit](#), UK Trade Policy Observatory, January 2017. A practical example is given in:

['Mars warns chocolate prices could rise after Brexit'](#), Financial Times, 10 March 2017

⁶⁰ ['Supermarket shop gets more expensive'](#), FT.com, 16 June 2017

⁶¹ "Prepare for end of Brexit currency boost", Farmers Weekly, 23 June 2017

5. Further Reading

Agricultural and Horticultural Development Board (AHDB): [Brexit now](#) includes commentary on individual sectors

AHDB, [What might Brexit mean for UK trade in agricultural products?](#) October 2016

BBC [After Brexit: What happens next for the UK's farmers?](#), 5 January 2017

Global Justice Now, [A people's food policy](#), June 2017

House of Commons Environmental Audit Committee, [The Future of the Natural Environment after the EU Referendum](#), 6th report of 2016-17, HC 599, 4 January 2017

House of Commons Library, [Brexit: trade aspects](#) March 2017

House of Commons Library, [Brexit: impact across policy areas](#) August 2016

House of Commons Library, [Migrant workers in agriculture](#), June 2017

House of Lords European Union Committee, [Brexit: the options for trade](#), 5th report of 2016-17, HL Paper 72, 13 December 2016

House of Lords European Union Committee, [Brexit: trade in goods](#), 16th report of 2016-17, HL 129, 14 March 2017

House of Lords European Union Committee, [Brexit: agriculture](#), 20th report of 2016-17, HL Paper 169, 3 May 2017

NFU website: [Brexit news](#).

NFU, [A New outlook on international trade](#), May 2017

NFU Scotland, [Brexit – What does it mean for you?](#)

Alan Swinbank, [World Trade Rules and the Policy Options for British Agriculture post Brexit](#), UK Trade Policy Observatory, January 2017

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