

NEW OPPORTUNITIES

A TRADE POLICY THAT CREATES MARKETS FOR FARMERS AT HOME AND ABROAD



DIRECT SUPPORT



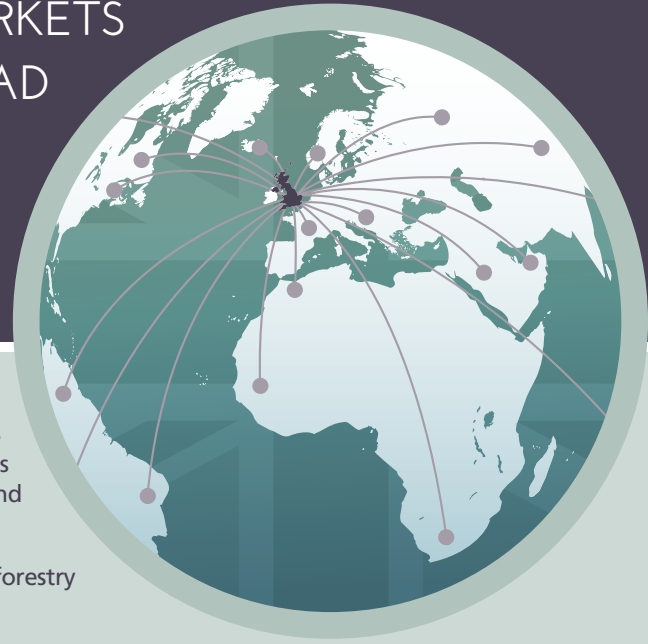
TRADE



REGULATION



LABOUR MARKET



This briefing, the second in the series, sets out the immediate trade priorities facing the Prime Minister and her ministers charged with negotiating the UK's exit from the European Union and establishing new trade deals. Businesses from across rural England, Wales and Scotland have the skills, products and entrepreneurialism to compete with businesses from across the globe.

This document sets out why the Government must promote agriculture and forestry sectors in particular and highlights the opportunities and risks presented.

WHY DOES THE UK NEED A TRADE POLICY FOR AGRICULTURE AND FORESTRY?

Farmers are at the heart of the rural economy and farmers rely on trade markets. The produce of England, Wales and Scotland meets high standards of quality, safety and animal welfare. It is also cultivated on land managed to strict environmental standards. These factors ensure it is among the best in the world. Providing markets are open to them, then farmers, foresters and food manufacturers can compete with the best in the world.

Trade is vital to food security. Food security is not self sufficiency. If the UK relied solely on domestic agriculture there would not be enough food to feed the population and it would be at the mercy of disease and harvest failures. To ensure consumers have reliable, sufficient and varied supplies of food, the UK needs to export some of what it produces and import some of what it consumes.

Successful trade policy is about achieving balance. For example, the Government must establish new trade deals in new places but balance this with ensuring the EU remains a vital export market for farmers. Also, the more restricted international markets are to UK exports, the more important it is to ensure that imports from those same markets are not allowed to compete unfairly because of lower production or welfare standards.

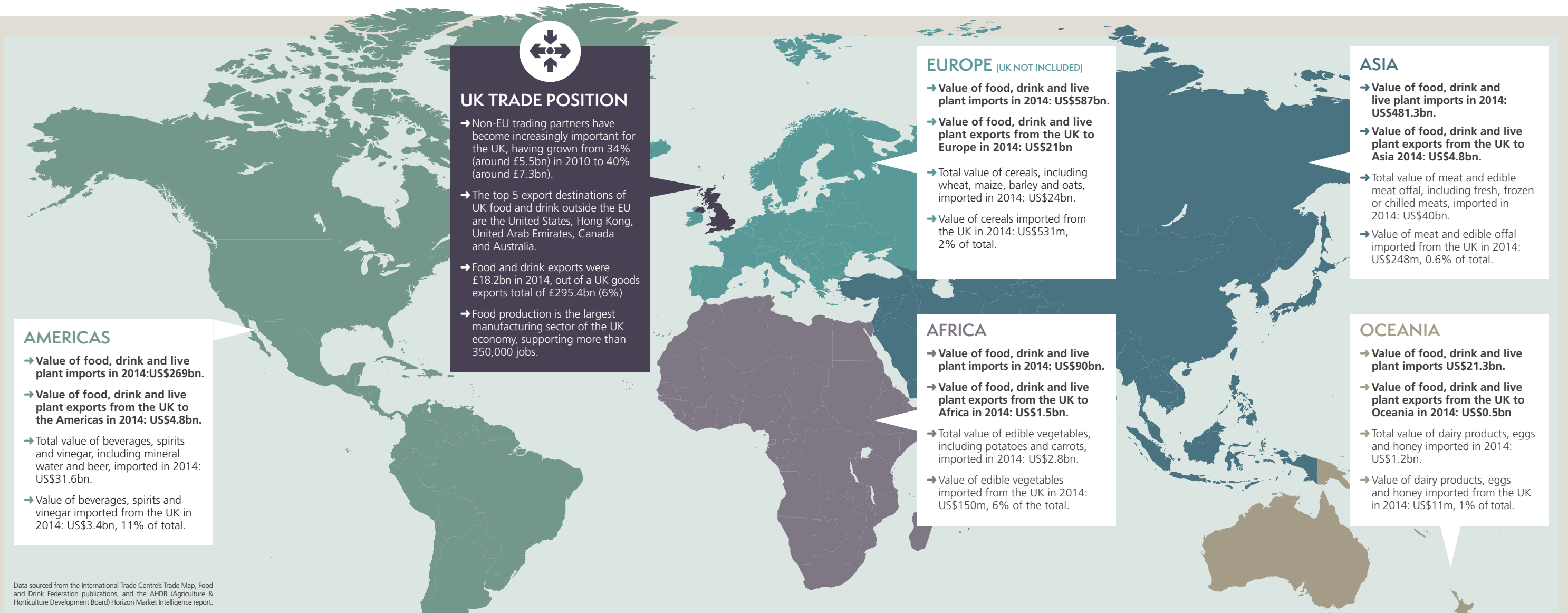
As the UK builds new trade relationships on its own outside the EU for the first time in more than 40 years, it must be ambitious and optimistic, but it must also be pragmatic. Overall, the rules and terms of trade are likely to change but the hope is that UK remains open and consumers benefit from the best choice and most competitive prices.

THE DECISIONS THAT MUST BE MADE - ACTION PLAN

The following immediate actions are necessary to show the Government's commitment to the rural economy, food and farming:

- The Prime Minister and the First Ministers of Scotland and Wales must state their commitment to securing robust trade deals for food and farming as a specific priority of our trade negotiations.
- The new Department for Exiting the European Union and the Department for International Trade must have a dedicated team of experts and trade negotiators in place, supporting a minister with a specific responsibility for securing the best deal and policy outcomes for agriculture and the wider rural economy.

- Ministers must commit to consulting farming and food industry leaders on all aspects of trade and Brexit negotiations and engage them directly in trade missions and other positive steps to harness new opportunities.
- The Government should reinstate and update the 2012 UK Food Export Plan.
- The departments with responsibility for farming and rural affairs in Wales, Scotland and England must ensure that full and detailed plans are in place to support farming, the food chain and wider rural economic policy, whatever the outcome of trade negotiations.



THE RISKS IF WE GET IT WRONG

FOOD PRICES

If UK trade policy is too protectionist food prices on the supermarket shelf could increase dramatically. This must be avoided. However, if UK trade barriers to imports are removed unilaterally it could lead to a dramatic drop in food prices that may have short term benefits to consumers, but would damage domestic producers disproportionately and would not be sustainable.

ANIMAL WELFARE

The UK operates to high animal welfare standards. These standards must be maintained so that UK produce continues to be sold domestically and to the world on the basis of its high quality and ethical credentials. Much more should be done to market these facets of our food. Any trade policy must not lead to unfair competition in the domestic market from products produced to lower standards.

FOOD SECURITY

Trade policy is a vital part of achieving food security in the UK. Strong exports help to ensure domestic farming is productive. Imports ensure that enough food is available to meet population needs ensuring consumers have choice and access to a balanced diet all year round, and is particularly important for the times when the country suffers from poor harvests or other shortages.

QUALITY AND STANDARDS

The UK is a world leader in the quality and standards of food production and manufacturing. UK policy must reinforce this premium position. Opening up UK markets to new food imports must not lead to a decline in the quality and standards of UK food. Particular attention must be given to protecting all valued regional designations from Scottish whisky, to Welsh lamb and beef, or English Stilton cheese and Melton Mowbray pork pies.

ENVIRONMENT AND LANDSCAPES

UK farmers are rightly asked to balance the needs of efficient production of high quality food with meeting environmental standards. UK trade policy must ensure UK businesses can compete without compromising this important balance.

BUSINESS CLOSURES AND JOB LOSSES

If the UK faces new barriers to its exports and at the same time opens its markets too much then the consequences for the UK's farming sector could be immediate and severe. Effective trade policy enables good businesses of all sizes to prosper. Getting it wrong will lead to business failures.



THE FIVE OBJECTIVES OF A TRADE POLICY THAT OPENS UP MARKETS FOR FARMERS AND RURAL BUSINESSES

1

GROW EXISTING MARKETS AT HOME AND ABROAD

→ Ministers must enter discussions with the EU with a clear objective and plan for negotiating tariff-free access to the EU market for UK food, drink and wood products. The Government must also develop an industrial strategy that delivers growth in consumption of domestically produced food within the UK.

2

OPEN NEW MARKETS

→ The main advantage of exiting the EU is freeing the UK to establish new bilateral trade deals with markets across the world. Ministers must ensure that wherever these deals are struck they are creating opportunity for UK food producers, food manufacturers and foresters.

3

DELIVER THE BEST DEALS FOR UK CONSUMERS

→ Consumers deserve the highest quality food at the best possible price. UK trade policy must strike the right balance, maximising opportunity for people to buy British food alongside the best produce from around the world.

4

EQUIP BUSINESSES TO COMPETE

→ The future of the food, farming and forestry sector outside the EU will be a success if the trade conditions are right, but businesses also need to have the skills, knowledge and ambition to seek out markets elsewhere in the world.

5

IMPROVE FARMER RESILIENCE

→ Trading in a global marketplace brings significant opportunity, but there are also risks. Climate change is affecting what can be produced where and our geopolitical situation is changing access to markets. Faced with this the Government must provide its farmers and foresters with a robust foundation. The first edition of this series set out the principles of a Food, Farming and Environmental Policy that allows them to manage volatility and make the investments necessary to increase efficiency and productivity.

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