

International Trade Select Committee inquiry - UK trade negotiations: Agreement with Australia

Submission by Compassion in World Farming

1. Compassion in World Farming (Compassion) welcomes the inquiry into the free trade agreement (FTA) between the UK and Australia.
2. Our submission focuses on our primary area of expertise, farm animal welfare, and the likely impact of the deal upon it. In particular, our concerns are around ensuring that imports into the UK meet existing domestic legislation, do not undermine UK farming and food production standards and allow for further improvements to UK standards – such as those set out in Defra’s Action Plan for Animal Welfare.¹
3. We would like to make the following points.

- How good a deal is the UK-Australia FTA for the UK?

4. The Government’s own impact assessment (IA)² into the agreement finds that the Australia trade deal will cause a £94m hit to UK farming, forestry and fishing, and that the deal will see a ‘reallocation of resources within the economy’ that includes a £225m hit to semi-processed food. This will, in large part, be as a result of the lower standards that Australian agriculture operates to. Whilst there may be benefits to the wider economy, the knock-on effect for Britain’s higher welfare, pasture-based farmers, could be devastating. Indeed, the benefit to the wider economy is, at best, negligible, with the same IA finding that it will result in an “0.08% increase in GDP (as a central estimate) as a result of the FTA **in 2035**”³ (text emboldened for emphasis).
5. We welcome the inclusion of an animal welfare chapter, with specific mention of animal sentience – and congratulate DIT on getting Australia to commit to including an animal welfare chapter for the first time ever. However, whilst language on non-derogation and non-regression in an FTA, committing the parties not to derogate from or lower their standards in order to attract trade or investments, is welcome it is unlikely to be very impactful considering how low Australian standards are, as well as the difficulty to demonstrate the trade impact of a change in standards. This language may act as a back stop, but it is difficult to say what actual impact it will have on standards.
6. Compassion in World Farming is of course not opposed to trade deals. However, we are concerned that the deal with Australia is one that will have dramatic negative consequences for UK animal welfare standards. Additionally, it involves concessions that we fear will form a precedent for future trade talks with even bigger agricultural producers – in particular the potential US negotiations. It is vital that an Australian deal does not act as a Trojan horse, paving the way for the UK’s higher standards to be undermined in the potentially much larger US FTA, or any other FTA the UK Government hopes to secure with major agricultural nations.

¹ Action Plan for Animal Welfare, Defra, May 2021 <https://www.gov.uk/government/publications/action-plan-for-animal-welfare>

² Impact Assessment of the FTA between the UK and Australia, DIT, December 2021. <https://www.gov.uk/government/publications/uk-australia-fta-impact-assessment/impact-assessment-of-the-fta-between-the-uk-and-australia-executive-summary-web-version>

³ *Ibid.*

7. Neither the Government's IA, nor the brief of the TAC, allow for the consideration of the cumulative impact of trade deals the UK is planning to negotiate. Allowing zero tariff, zero quota market access to Australian agriculture will most likely lead the UK's future trading partners – such as Brazil, and the US – to demand similar market access when they negotiate a deal. The Government argues they will negotiate each deal on its own terms, but this seems to avoid the reality of the UK-Australia FTA setting expectations on which future trade partners will rely.
8. To ensure that this deal does not become a precedent, we also urge the Government to develop *a set of core standards that would need to be met* in order for imports of certain products to be permitted (more on this below).

- To what extent has the Government achieved its stated negotiating objectives?

9. The UK's negotiating objectives make repeated commitments to "not compromising on our high environmental protection, animal welfare and food safety standards." However, it is hard to see how the UK can claim to have met that objective.
10. The FTA ultimately allows tariff- and quota-free access to beef, sheepmeat and dairy products. Whilst DIT claim that the phasing in of this liberalisation, over up to 15 years, offers some protection for the UK's farmers, the quotas being set by the Government for imports from Australia are far higher than the current level of imports and will therefore *immediately* allow large quantities of Australian beef and other animal products into the UK, tariff-free.
11. For beef imports, there will be first-year tariff-free allowance of a 6,000% increase on the amount of beef the UK currently imports from Australia. For sheepmeat, in the first year of the deal, there will be a 67% increase in the tariff-free quota.
12. Equally as worrying, and despite the Government's reassurances, the deal will not require imports from Australia to meet UK animal welfare standards. This is despite the fact that:
 - a. There are currently no federal Australian laws on farm animal welfare
 - b. Many Australian cows are fattened in cruel, barren feedlots.
 - c. Many Australian sheep are subject to 'mulesing' – a painful procedure that involves cutting skin from the rear of the animal.
 - d. Confining hens in barren cages is still common in Australia, whilst these cages are banned in the UK.
 - e. Sow stalls are permitted for first 5 days of pregnancy (these cages are also banned in the UK).
 - f. Painful practices such as de-horning, castration and branding are all permitted without pain relief
 - g. The misuse of antibiotics in Australian farms means use per animal is up to 16 times higher than in the UK.⁴

⁴ "DIFFERENCES IN AUSTRALIAN AND BRITISH FARM ANTIBIOTIC STANDARDS", Alliance to Save our antibiotics, May 2021. <https://saveourantibiotics.org/media/1932/differences-in-australian-and-british-farm-antibiotic-standards-may-2021updated.pdf>

13. DIT has previously, in defending negotiations with Australia, referred to the OIE (World Organisation for Animal Health) ranking Australia highly on veterinary services.⁵ But that is not the same thing as having good animal welfare standards: it is possible to have very good veterinary services, but on-farm welfare still be poor. Furthermore, the OIE does not score countries for animal welfare.
14. World Animal Protection, who do in fact rank countries' animal welfare standards, under their Animal Protection Index, find that Australian farming operates at lower standard to those of the UK – giving Australia a ranking of 'E' on farm animals (and 'D' overall),⁶ whereas the UK scores a 'D' for farm animals (and a 'B' overall).⁷
15. Whilst the Government claim that the UK's animal welfare, environmental and food safety standards will not be undermined, it is not clear how they plan to do ensure that will be the case. Concerningly, when pressed on import standards, Government Ministers repeatedly limit their responses to those relating to food standards – not animal welfare or environmental. For example, during the Statement to the Commons, 5 Jan, the Secretary of State said, "All imports into the UK will have to comply with our existing **food standards requirements**—including the ban on hormone-treated beef." (emboldened for emphasis).
16. Similarly, recent responses on this issue frequently refer to not permitting the import of hormone-treated beef, a protection which we of course welcome, but do not mention chlorine-washed chicken. It may be that DIT does not expect chicken to be imported from Australia, even as a result of this deal – or it may be that the Government's view on chlorine-washing is changing. *This would be an area the Committee may want to probe, in future evidence sessions.*
17. Whilst the SPS Chapter confirms that any imports must comply with our existing SPS requirements⁸, theoretically meaning that the current legal bans on imports of beef implanted with hormones, chicken washed in chlorine or beef and pork injected with ractopamine will continue, the SPS Chapter only states that any SPS measures will be based on science. This seems to be a retrograde step from the AiP which stated that each country respected each other's SPS standards. In the case of chlorine-washed chicken, this ban is based on the precautionary principle rather than a science-based one, and there is a possibility that continuing to require imported chicken not to have been chlorine-washed might be challenged under and overturned as a result of this. Similarly, in 1998 the UK, as part of the EU, lost its case at the WTO to maintain its beef-hormone import ban so this ban is not seen as scientific by the WTO under trade rules.

- To what extent does the FTA deliver on the UK-Australia [Agreement in Principle](#)?

18. In terms of farm animal welfare standards, the AiP is the same as the final negotiated FTA. As the rest of this submission points out, that is in fact an area of significant concern.

⁵ International Trade, Oral Questions, 10 June 2021, column 1109. Minister of State, Greg Hands <https://hansard.parliament.uk/Commons/2021-06-10/debates/CEA78CDA-3E01-4A58-ACEF-385530CBD991/InternationalTrade>

⁶ Animal Protection Index – Australia, World Animal Protection <https://api.worldanimalprotection.org/country/australia> accessed 12 January 2022

⁷ Animal Protection Index – UK, World Animal Protection <https://api.worldanimalprotection.org/country/united-kingdom> accessed 12 January 2022

⁸ <https://www.gov.uk/government/publications/uk-australia-fta-summary-of-chapters/uk-australia-free-trade-agreement-chapter-explainers>

- How are the terms of the FTA between the UK and Australia likely to affect you, your business or organisation, or those that you represent?

19. N/A

- What is likely to be the impact of the agreement on:

- **the UK's economy as a whole?**

20. Please see answer to Q1

- **particular sectors of the UK economy?**

21. With specific regards to agriculture, as mentioned, the livestock sector will be particularly badly hit. The deal will phase out tariffs, over 15 years, for beef sheepmeat. There is an even shorter time period, of just 5 years, during which time tariffs on dairy products will be phased out.⁹

22. In her statement to the House, on 5 January, the Secretary of State claimed that "We have not looked at anything in the poultry, pigs and eggs sector precisely because we did not believe that we could find a level of compatibility in standards"¹⁰ We welcome this consideration but are puzzled that beef and lamb seem to have survived the implied comparison. We imagine that the International Trade Select Committee envisages a session with the Secretary of State. Given the animal welfare issues known about in Australian beef and sheep farming, *we would encourage the Committee to seek further information on what compatibility study was undertaken that deemed beef and sheep acceptable for tariff-free import.*

- **the UK's devolved nations and English regions?**

23. The liberalisation of trade in the beef and sheepmeat sector, whilst of concern for farmers across the UK, is likely to be felt particularly acutely in Scotland and Wales.

- **UK consumers?**

24. A recent survey by Which? found that British consumers are overwhelmingly against imports of food produced to lower standards - with many also concerned these foods could be served in schools and hospitals. Whilst shoppers in supermarkets can exercise an element of control over whether to purchase imported goods, those using public canteens have no such luxury. The Which? survey found that 86% were concerned weakening UK food standards as part of a trade deal could lead to products that are currently banned being served in schools, hospitals and restaurants, where pupils, patients and customers may have little information or choice about the food they eat.¹¹

⁹ Eggs, pork and poultry will continue to be subject to a tariff but could well be at risk from other deals the UK is looking to secure (e.g. Mexico, Canada, India and the USA). Under the Australia deal, food derived from those species will continue to be subject to the UK's WTO tariff schedule.

¹⁰ Statement UK-Australia FTA, Volume 706: debated on Wednesday 5 January 2022, Secretary of State Anne-Marie Trevelyan, Hansard, Column 78 <https://hansard.parliament.uk/commons/2022-01-05/debates/0D922D6F-9A97-455D-90DE-275AA45D1AEB/UK-AustraliaFreeTradeAgreement>

¹¹ Which? reveals consumer concern over trade deal threat to school and hospital food, 25th June 2020. <https://press.which.co.uk/whichpressreleases/which-reveals-consumer-concern-over-trade-deal-threat-to->

25. 95% said it is important for the UK to maintain existing food standards. These findings held regardless of socio-economic background. Indeed, those from lower socio-economic backgrounds were less likely than those from higher socio-economic households to believe imports of food produced to lower standards should be available in the UK.
26. Compassion believe that the Government must not permit imports of food produced using methods that do not meet our standards and evidence shows that consumers agree.

- How well has the Government communicated its progress in negotiations – and how much has it listened to stakeholders during those negotiations?

27. In 2018, the UK Government ran a consultation on possible FTAs it hoped to secure, including with Australia. Since then there has been little engagement by DIT with wider civil society in terms of inputting into these discussions.
28. Even in light of the deal now having been signed, the opportunities for politicians and stakeholders to comment on the deal have been limited – at the time of writing the only obvious opportunities to raise concerns are the inquiries being undertaken by the International Trade Select Committee, the Efra Select Committee, the House of Lords International Agreements Committee, and the Trade and Agriculture Committee. There is no opportunity to directly comment to the Department for International Trade on this agreement.
29. DIT has established ‘Thematic Working Group’, but membership required the signing of legally-binding confidentiality agreements. Compassion is not a member of these groups but understand members were not given any prior sight of the UK-Australia Agreement in Principle, nor the final deal, or any opportunity to comment on the general direction of the deal, let alone specific provisions.

There has been no indication as to what role Government sees civil society playing in these processes, despite the Government seeking to secure a number of other deals in the future.

30. With the exception of Ministerial Statements made to Parliament, there has been similarly little in the way of ensuring MPs, Peers, civil society or the public are being kept up to date on the progress of negotiations. MPs will have no guaranteed debate or vote on the deal before ratification, although we expect that a debate will be provided for. *It would be helpful if the Committee were to push the Government to offer a guaranteed debate and vote in Parliament before ratification (and for similar to take place with all future FTAs before ratification by the UK Government).*

- How well has the Government communicated the possible impact of the FTA, to enable you or other stakeholders to prepare for its implementation?

31. Consultation has been minimal. The absence of a serious role for the Trade and Agriculture Commission (TAC) is particularly striking. This was announced¹² as

[school-and-hospital-food/](#)

¹² <https://www.gov.uk/government/news/new-trade-and-agriculture-commission-launched-with-measures-to-boost-farming-exports>

32. *“having a formal role to inform Parliamentarians and the public about how new Free Trade Agreements (FTAs) are consistent with UK laws on animal welfare, animal and plant health, and the environment...The TAC’s advice will inform a government report which will be laid before Parliament ahead of the ratification of any new FTA and following the signature stage.”*
33. When responding to questions during the Statement to the House on 5 January 2022, the Secretary of State repeatedly failed to confirm whether the report from the TAC would have any bearing on the final agreement. *Again, the Committee may wish to probe this issue further.* It is hard to see the point of TAC if its views are not to be respected. In practice this should surely be before signature, considering an early draft agreement.

- What lessons and inferences for other current and future negotiations can be drawn from how the Government approached, and what it secured in, the FTA with Australia?

34. The UK Government must ensure that sufficient time is given for deals to be fully scrutinised, and for more transparent updates on negotiations to be given to Parliament and relevant stakeholders.
35. Not only should debates, inquiries and votes in Parliament be able to take place, but *the UK Government should also establish a core set of standards on animal welfare, food, farming and the environment.* These standards would then have to be met in order for a deal to be ratified. The overall objective of the Government should be to encourage British farmers to meet the highest standards in accordance with the latest science, and to negotiate trade agreements that do not undermine progress towards that goal. It is possible to have some sympathy with negotiators tasked with securing FTAs having a clear bottom line for what is acceptable. Without such core standards and without pre-signature consultation with TAC and civil society, it is difficult to see how further trade agreements will be reached that do not similarly undermine Britain’s standards.
36. The CRAg Act is a poor tool for guaranteeing effective Parliamentary scrutiny of trade agreements, with no legal guarantees of a debate or vote at the end of the process. CRAg has been described by Parliamentary Select Committees as ‘flawed’, ‘extremely limited’ to facilitate public engagement, ‘insufficient’ for consultation, and ‘poorly designed to facilitate parliamentary scrutiny’.
37. In order for Parliament to have a proper role in the formation of FTAs, the Government must ensure that:
- a. *Before beginning to negotiate an FTA* - Parliament must set the mandate for the negotiations. Negotiations should not begin until Parliament has authorised them. Parliament should make recommendations to the Government regarding the policy areas that should be included in the negotiations and the principles that should underpin, and any limits on, the negotiations.
 - b. *During negotiations* - Parliament should receive the information necessary to properly scrutinise trade agreements. Accordingly, at least once each year the Government must lay before Parliament a report containing an account of progress made during the negotiations to date and an assessment of the issues likely to arise during the future stages of the negotiations that may affect UK producers, consumers or legislative standards (e.g. food safety, the environment and animal welfare). Parliament should have the right to make recommendations to the Government on, and propose

amendments to, any draft texts that have been proposed or agreed and on the UK's position during future stages of the negotiations.

- c. *At the end of negotiations* - Parliament should have the right to consent to, amend or reject an FTA. If it wishes to amend the agreement, the Government must place its proposals before the other party/parties to the agreement. If they do not accept Parliament's proposals, Parliament will have to decide whether to accept or reject the FTA.