

Written Evidence submitted by Compassion in World Farming (AFTA0006)

Compassion in World Farming (Compassion) welcomes the inquiry into the free trade agreement (FTA) between the UK and Australia, and the implications for food and farming.

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

We would like to make the following points.

1. Does the FTA represent a good deal for the UK's agricultural sector?

Compassion would have to say ‘no’, and this appears to be supported by the Government’s own impact assessment (IA)² into the agreement, which 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. Moreover, 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).

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.⁴

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”⁵

We welcome this consideration but are puzzled that beef and lamb seem to have survived the implied comparison. *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.*

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.*

⁴ 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.

⁵ 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>

2. What impact will tariff and quota liberalisation have on domestic producers and consumers?

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.

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.

Equally as worrying, and despite the Government's reassurances, the deal will not require imports from Australia to meet UK animal welfare standards in order to qualify for the removal of those tariffs or quotas. This is despite the fact that:

- There are currently no federal Australian laws on farm animal welfare
- Many Australian cows are fattened in cruel, barren feedlots.
- Many Australian sheep are subject to 'mulesing' – a painful procedure that involves cutting skin from the rear of the animal.
- Confining hens in barren cages is still common in Australia, whilst these cages are banned in the UK.
- Sow stalls are permitted for first 5 days of pregnancy (these cages are also banned in the UK).
- Painful practices such as de-horning, castration and branding are all permitted without pain relief
- The misuse of antibiotics in Australian farms means use per animal is up to 16 times higher than in the UK.⁶

On the issue of consumers, 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.⁷

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

⁶ "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>

⁷ 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-school-and-hospital-food/>

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.

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.

3. How will the FTA affect the security, quality and affordability of the UK's food supply?

The Government's impact assessment suggests a gradual reduction in gross output of around 3% for beef and 5% for sheepmeat, as a result of liberalisation. Since, as noted above, an impact of the FTA will be to damage the British agricultural sector, it follows that investment and engagement in the sector is likely to be reduced, leading to a reduction in UK agricultural production in favour of imports. By definition this reduces UK self-sufficiency. Alternatively, British producers may seek to move down-market in standards in order to compete more effectively with the imports. In that case, the quality of food supply will be damaged.

4. Does the FTA ensure that there will be a level playing field between UK and Australia producers on animal welfare and environmental standards? Do the terms of the FTA reflect the UK's commitment to high animal welfare and environmental standards?

The UK Government has made 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 in the final agreement.

We welcome the inclusion of an animal welfare and AMR 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. Additionally, as mentioned in response to Q2, there is a lack of animal welfare conditionality for tariff removal.

Worryingly, the deal therefore gives the impression that the UK Government consider these issues as less important than those included in Chapter 22 on Environment (such as biodiversity, the marine environment, and sustainable forest management). This is because Chapter 22 includes cooperation, public participation, a working group, consultations, and the potential use of dispute settlement (this last one being particularly important). The Animal Welfare chapter, by contrast, only includes cooperation and a working group.

Without wishing to establish a hierarchy of different issues, the approach of the UK Government seems not to reflect UK public opinion. We would therefore call for a consistent approach to be taken, in this and future UK FTAs

DIT has previously, in defending negotiations with Australia, referred to the OIE (World Organisation for Animal Health) ranking Australia highly on veterinary services.⁸ But that is not the same thing as

⁸ 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>

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.

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),⁹ whereas the UK scores a 'D' for farm animals (and a 'B' overall).¹⁰

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).

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.*

Whilst the SPS Chapter confirms that any imports must comply with our existing SPS requirements¹¹, 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. It does not explicitly refer to the rights of the parties to set the appropriate levels of protection to them, or the use of "precaution" where the scientific evidence can be considered unclear. 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.

Worryingly, dispute settlement provisions do not apply to this chapter, thus any UK decisions that Australia considers not to be based on science cannot be challenged in this way. However, we can expect that Australia will raise issues such as hormone-treated cattle in the SPS Committee, arguing that under the terms of the SPS text this should be allowed for sale in the UK.

5. What impact if any, will the FTA have on the Government's agricultural and environmental policies, such as the delivery of public goods for environmental improvements and net zero?

⁹ Animal Protection Index – Australia, World Animal Protection <https://api.worldanimalprotection.org/country/australia> accessed 12 January 2022

¹⁰ Animal Protection Index – UK, World Animal Protection <https://api.worldanimalprotection.org/country/united-kingdom> accessed 12 January 2022

¹¹ <https://www.gov.uk/government/publications/uk-australia-fta-summary-of-chapters/uk-australia-free-trade-agreement-chapter-explainers>

Opening the UK market to zero-tariff imports will inevitably lead to pressure on domestic agricultural and environmental policies, as noted above in the context of animal welfare. The underlying difficulty is a lack of joined-up thinking, with Defra seeking to raise standards and DIT seeking to promote free trade. A more coordinated approach would focus attention on making zero-tariff trade commitments concentrate on areas where there is no significant discrepancy between the national standards, with a periodic review to see whether standards have converged or diverged. This, coupled with the review bodies commonly established in trade agreements to monitor progress, would give the countries an incentive to raise standards broadly in parallel, in order to benefit fully from each other's markets.

6. What implications does this trade deal have for future trade deals?

It is our view that the removal of tariffs should only have been granted in return for meeting UK core standards on animal welfare. Therefore, to ensure that this deal does not become a precedent, we 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 – this would help address the 'consistent approach' referred to in response to Q4.

Such conditionality, based around consistent core standards, would have been the single most significant measure that the UK government could have taken to support the global welfare of animals. In this respect, the UK-Australia FTA is a missed opportunity. We are further concerned that this FTA will create legal impediment to the UK taking future steps to ban meat products entering the UK which have resulted from cruel practices.

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.

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.

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