

## **Response ID ANON-KMJT-V2RJ-T**

Submitted to **Consultation on trade negotiations with Australia**

Submitted on **2018-09-29 22:51:37**

### **Privacy and confidentiality**

**Do you consent for the voluntary information you provide in this consultation to be used as part of the Government's published consultation response?**

Yes

If you answered no to this question, please give your reason.:

**Do you consent for the Department for International Trade, or organisations working on their behalf, to contact you regarding the responses you have given?**

Yes

### **Who are you responding as?**

**What is your name (first name and surname)?**

**Name:**

Philip Stocker

**What is your email address?**

**Email:**

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**Please tell us who you are responding as?**

Non-governmental organisation – In an official capacity as the representative of a non-governmental organisation / trade union / academic institution / other organisation.

### **Non-Governmental Organisations (NGOs) - about you**

**What is the name of the organisation (e.g. trade union, interest group, charity or academic institution) you are responding on behalf of?**

**Organisation:**

National Sheep Association

**Which area does your organisation represent?**

Food, Environment, Animals, Farmers

**If you selected other, please tell us which area your organisation represents in the box below:**

**How many members does your organisation represent in total?**

5001 – 10000

**Does your organisation have a presence in, or operate in, Australia?**

No

### **NGOs - Questions about the UK's future trade relationship with Australia**

**Have any of your members been in contact with your organisation about the prospect of a free trade agreement (or related trade talks) with Australia?**

Yes

### **NGOs - The UK's future trade relationship with Australia - priorities**

**What would you want the UK government to achieve through a free trade agreement (or related trade talks) with Australia, and why?**

**Please supply your answer and any supporting evidence below:**

We would want the Govt to fully consider the implications on our own domestic sheep industry if, as part of a new trade deal with Australia, there were any intention to increase the volume of Australian lamb currently being imported into the UK. The UK sheep industry already has a delicate relationship with imported lamb, and our own export trade, and our exit from the EU will result in this being even more so. Within a total UK production volume of around 290,000 tonnes, the UK exports some 90,000 tonnes of sheepmeat per year and imports around 100,000 tonnes. The prospect of our lamb exports being seriously disrupted upon our exit from the EU is high, and although efforts are being invested into new market opportunities it is accepted that it will take some years before this bears fruit. The NSA is aware that Australia is keen to raise its TRQ levels to the EU and to the UK given it has only 19,000 tonnes TRQ compared with NZs 238,000 tonnes, and is seeking some parity with NZ. If import trade patterns remained as they are with other nations that export to the UK, any increase of Australian lamb to the UK would have a devastating effect on our domestic industry.

It is entirely unreasonable to UK producers to be able to compete on price with those in Australia - farm structures are very different, UK producers have high environmental and welfare standards they are required to meet, and any increase in Australian lamb into the UK would result in downward price pressure due to lower costs (and standards) and oversupply.

In any trade agreement between the UK and Australia we would expect our Government to secure appropriate protection and equality for our domestic sheep farming industry. This is on the basis of both the protection of the livelihood of rural businesses and communities, and the protection of grassland environments and their associated benefits through economically viable sheep farming in the UK. The future of our sheep industry, with all its social, economic and environmental outcomes, should not be put at risk in any attempt to secure a trade agreement that might benefit other UK industries, nor with any thoughts of reducing food costs to UK consumers

Sheep farming is a long established business activity in the UK, keeping rural communities and economies active and maintaining landscape, environments, and natural capital, in particular soils. A generic free trade deal with Australia (or any other nation) must consider the impacts on any single industry, with those industries at risk being given protection measures.

It is crucial to recognise that a free trade deal between the UK and NZ, for sheepmeat, would result in an entirely one way trade. The UK has a population of over 65 million people and a land area of 244,000 square kms, whereas Australia, with 7.7 million square km of land area, has a population of 23 million people. The total sheep flock in the UK is recorded as being between 30 million and 33 million sheep, while Australia has around 75 million sheep and is the world biggest sheepmeat exporter. The UK exports around 40% of its production annually (circa 95,000 tonnes, and 96% of this currently to the EU) and imports a similar volume of sheepmeat (circa 100,000 tonnes). Around 74% of this imported volume comes from NZ and 15% comes from Australia, and increasingly this trade is in high value cuts that lose any geographical identity through catering markets.

Crucially, a free trade relationship between the UK and Australia that resulted in any more imported lamb coming into the UK would only damage our sheep industry, with resulting negative economic, social and environmental outcomes. It should be noted that Australian sheep production has seen extreme volatility relating to weather conditions over recent years, in fact most nations across the world are seeing climate related and political volatility and this raises questions over food security and equity. For this reason we view it as essential that the UK sheep industry is recognised for its contribution to producing highly nutritious food that in the future may be seen to be one of the most sustainable and efficient forms of protein production. It would be a catastrophe if a new trade agreement with Australia, with economic interests at heart, damaged a sustainable livestock production industry that has a wide range of public good outcomes, and in doing so reduced our future food security capital. Any increase in sheepmeat imports from Australia would seriously threaten the UK stratified sheep production system and result in vast areas of the hills and uplands becoming totally abandoned. Land abandonment must not be seen as an environmental gain and the majority of the UK's biodiversity is farming related. Land abandonment has a serious negative impact on social, economic and environmental goods.

We understand the enthusiasm of the UK Government to agree trade relations with Australia but we urge caution, and consideration of the impact on any of our sectors and industries. We would want our government to achieve the following:

A TFQ tonnage of no more than has been coming to the UK based on an average of the last 3 reference years.

We would like to see any TRQ split into seasonal periods ie quarters. This is on the basis that both countries have opposite seasons and historically Australian product has come to the UK in seasonal periods of shortage ie the late winter and Spring, balancing supply and demand.

We would expect any lamb imported from Australia to be of the same environmental, welfare, traceability, and social standards required of UK producers. There is a history of Australian lamb produced to lower standards (and related lower costs of production) being imported into the UK and promoted on price promotions and losing geographical identity particularly in catering markets, and this has damaged market conditions for UK product and challenged our aspirations for high standards.

Additionally in the case of a no deal Brexit, if the UK lost its viable access to the EU due to tariffs, we would expect the UK Government to place emergency blocks on imports of sheepmeat to the UK with investment into storage facilities and supported by an internal aid package on the basis of sheepmeat being a sensitive product with environmental, social, and rural economy relationships.

The likelihood of UK sheep industry to benefit from a new trade deal with Australia is remote, whereas the Australian sheep industry would be likely to benefit.

**Which of these areas of a free trade agreement best describe the priorities that you have outlined above?**

Tariffs, Rules of Origin, Products Standards, Regulation and Certification, Competition, Labour and Environment, Small and Medium Size Enterprises (SME) Policy

**NGOs - The UK's future trade relationship with Australia - concerns**

**What concerns, if any, does your organisation have about a free trade agreement (or related trade talks) with Australia, and why?**

**Please supply your answer and any supporting evidence below:**

Many of our concerns are outlined in the previous section, but our concern is that for wider economic gain for the UK our sheep industry could be compromised and damaged.

Animal products, and lamb in particular, form the largest proportion of goods traded to the UK from Australia, yet the UK is also a serious world player alongside the bulk of our production feeding our domestic market. Any increased volumes of NZ lamb placed on the UK market will be damaging to the UK's sheep farming economy and this would have negative knock on effects for rural economies generally, the environment, and social/cultural communities.

We are seriously concerned about any increase of Australian lamb that might come to the UK as a result of Australia pushing hard to achieve some equity with

NZ, and we are highly concerned that in a push to improve trade flows of aviation equipment and machinery in particular the UK Government could 'give away' a larger share of the UK retail and catering market.

Furthermore we are concerned that any increase in Australian sheepmeat trade to the UK would undermine plans to increase the UK's animal welfare and environmental standards, and could further disconnect the UK public from our domestic farming activities.

**Which of these areas of a free trade agreement best describe the concerns that you have outlined above?**

Tariffs, Rules of Origin, Products Standards, Regulation and Certification, Competition, Labour and Environment, Small and Medium Size Enterprises (SME) Policy

**NGOs - The UK's future trade relationship with Australia - other comments**

**Is there anything else that you would want to say about the UK's future trade relationship with Australia?**

**Please supply your answer and any supporting evidence below:**

The UK and Australian sheep farming sectors (bodies and individuals) already have a positive relationship and work together where we can. We recognise the sensitivities of trade and although Australia is at a lower volume level than NZ, we already have robust conversations when trade is having a damaging effect on our market. However we still work collaboratively on market intelligence, R&D, and knowledge exchange.

We have long criticised UK retailers for price promoting Southern hemisphere product and not UK product (with Australian lamb sometimes being retailed for prices less than the stated import price, and often co mingled with UK product). We have criticised co mixing of lamb/mutton from several countries without stated percentages of the content, and confusing packaging that makes it difficult for consumers to make well reasoned purchase choices. These issues are examples of problems that could be tightened up in UK legislation as we formulate our new Agriculture Bill.