



Stock-in-trade

What meat and dairy should we import?

Introduction

What is trade for?

According to the World Trade Organisation ('WTO'), trade increases 'consumer choice' and drives down prices through international competition. Traditionally, this is viewed as positive because people have more money to spend elsewhere, which drives economic growth. Trade also hedges against disruptions to food. Produce passes from areas of excess supply to areas where supply is scarce or has been interrupted. This offshoring of food security can be risky if something goes wrong – like a global pandemic – and trade is disrupted.

When does it make sense to import meat and dairy?

Animal product imports to the UK

In 2019 the UK imported:

- 650 kilotons of meat
- 459,000 tons of cheese
- 372,000 tons of other dairy, not including milk or butter
- 337,000 tons of milk and milk powder
- 80,000 tons of butter
- 67,000 tons of eggs
- £2.4b worth of animal feed

The UK's main import market is from Europe, but it also buys significant amounts of meat, dairy and eggs from Brazil, Argentina, Thailand, Australia, Botswana, Namibia, New Zealand and the USA.

Do we need to import so much meat and dairy?

Some suggest that the UK does not need to import so much. For example, the UK exports high volumes of relatively high welfare pork, whilst simultaneously importing cheaper pork to go into products like pork pies. If those imports and exports were balanced off against each other, and we simply ate the pork we produced, it would have a neutral effect on the balance of trade. Yet, the demand for cheap food drives the import of lower standard meat.

Others point out that our consumption habits make it necessary for us to import. For example, the UK produces around 10 million pigs a year. It consumes around 22 million pigs' worth of legs and 90 million pigs' worth of loins, but only seven million pigs' worth of shoulders and three million pigs' worth of bellies. So, increasing UK produced pig numbers to satisfy home demand for loin and shoulder would leave us with an oversupply of the other products that would have to be sold to other markets unless behaviours of people in

the UK changed. Additionally, the UK cost of pig production is high, leading to higher prices.

Less but better meat?

The UK consumes about 2.5 times more meat than the average global rate of consumption. Research suggests this is bad for people's health. The cost to the NHS from dietary ill health is between £50bn and £70bn, a significant chunk of which can be attributed to excessive red and processed meat consumption. To reduce the burden on public health, it was argued that there must be a move towards more plant-based diets.

Ruminating meat is a prime driver of climate change, and unless there is a drop in meat consumption, the Paris climate target will not be met. It is possible that the US, India and China will introduce border climate adjustments to deal with this threat. Arguably, the UK government may also intervene to encourage more plant-based diets to support public health and the environment.

Such interventions (especially border climate adjustments) would have a significant impact on the amount of meat and dairy the UK imports and exports. This would result in more transparency regarding what we eat and a debate about why we choose to import cheaper meat. There would likely be a shift to 'less but better' consumption of meat and dairy produced in the UK, with multiple benefits from helping cut emissions to improving public health.

“...the linking of health and environmental outcomes to food standards, is the key...”

Less but better meat consumption would also potentially lead to a different model of mixed farming systems that create resilient nature and a resilient food system that relies less on imported goods.

As the climate changes and the world encroaches on previously untouched areas of nature, there will be more pressure on animal farming from zoonotic diseases. This will affect the trade in animals and animal and dairy products. Arguably, COVID-19 is an example of how a zoonotic disease can cause a huge shock to world food systems. There will be others. This raises fundamental issues about where food comes from, how much it costs, where shortages might occur and how people's food behaviours will change because of those issues.

What do UK citizens want when it comes to trade?

Which? research into attitudes towards trade revealed that generally people are positive about trade, but caveated with a strong preference to maintain standards for food and other products.

Keeping standards high

Which? has found that people consistently care about food standards. Most assume that the UK's food standards are very high relative to the rest of the world, and every socio-economic group wants the UK government to maintain those standards after Brexit.

The research found that people in the lower socio-economic groups were most concerned about having food produced to lower standards. This is understandable, given they are least likely to have a choice about the food they eat. They feel that the current standards protect them from eating meat produced to lower health and safety and animal welfare standards.

“When you start talking to people about [trade], they really get to grips with that and feel really passionate about it”

There is an increasing interest in the environmental impact and sustainability of the food we eat, and what that means for trade policy. Many respondents highlighted opportunities for the UK to be a leader in promoting trade that is consistent with climate targets. Respondents in Northern Ireland, Scotland and Wales were more conscious of the impacts of food trade on farming than those in England.

Food production processes

Which? asked people's opinions on food production processes such as hormone or antibiotic growth promoters, chlorine washes and cloning. They found that generally people are unhappy about these different types of production processes (80% for growth hormones, 79% for antibiotics, 77% for chlorine washes, 75% for cloning). A majority of people would not eat those products, even if they were cheaper.

“People are open to trade; they see it as a positive thing ... but with some really strong caveats particularly around maintaining food standards”

Most people would not accept such processes even if they were clearly labelled. There was a general agreement that it would be very difficult to make that a meaningful choice, because processed foods contain lots of ingredients that would not be labelled, and neither would food consumed out of the home.

Commitment to transparency and fairness

A government commitment to high food standards in the Agriculture and Trade bills would reflect what people across the UK want. However, it appears that standards could be easily altered under secondary legislation without adequate scrutiny. The Trade and Agriculture Commission will play a key role in providing this scrutiny, but it needs to be more broadly representative. Currently it does not include consumer representatives, environmental interest groups or wider civil society.

Recent Which? dialogue found that people wanted to ensure that fairness is enshrined in the UK's new trade policy. By that, they meant what is fair in the UK in terms of distribution and benefits, and also very strongly in terms of other countries' supply chains and workers' rights.

What are the trade standards related to animal & dairy products?

The area of trade standards is complex. It includes sanitary and phytosanitary regulations and certification around animal health and product provenance, as well as health, safety and animal welfare regulations.

In the UK there are legal standards that represent a minimum level, and private standards (e.g. retailer or manufacturer standards) which go above and beyond them. The minimum level must be maintained through trade mechanisms, but private assurance schemes can play a key role in driving up standards internationally. When overseas businesses realise that the UK public want food produced to those higher standards, they are motivated to deliver them.

Are UK trade standards high?

It is widely assumed (even among many experts) that the UK's standards are higher than many other countries'. However, there is no one set of standards, so it is not easy to benchmark the UK's position relative to other countries (against government or private standards). Cross recognition of government and private standards requires equivalence, and a quality framework that can assure those standards.

“There's the welfare implications of how our standards in the UK match with standards of the sorts of foods that we import”

Standards are already measured in some areas: food safety, disease and to a certain extent animal welfare. The UK has led the way in welfare e.g. banning sow stalls and battery cages. However, allowing imports of lower welfare meat could arguably weaken our trading position.

It could be argued that the UK has helped raise international standards. A future opportunity could be for the UK to include agricultural production technologies alongside our high welfare meat in trade deals, which would further raise standards internationally. Such trade agreements could also include technologies that improve environmental performance and zoonosis surveillance.

One standard to rule them all?

The public can find it difficult to weigh up all the different health, welfare and environmental issues in each purchase. The plethora of assurance schemes and private standards can add to the confusion. For transparency, the question was asked as to whether there could be one set of standards that bakes equivalence in, includes resilience, welfare, the environment and worker protections? Perhaps this would help people understand what they are paying for, what they are prepared to pay and what is important to them. However, a common standard is hard to achieve and may only reflect the minimum standards if it wanted to bring everyone on board.

The role of government

Arguably, high standards should be set by government. It is a pre-competitive issue. If the government, for instance, mandated one carbon calculator, it would set a level playing field for industry and the general public. Which? research has shown that this is what people want, so the government should drive it. It could learn from the EU, which has a track record in encouraging cross industry sharing and value creation.

It is imperative that there is a joined-up approach across government, especially between the Department for International Trade, Defra and the Food Standards Agency – and with the devolved nations. There needs to be more cross-department working so that each can understand and influence the others' focus.

Are world trade rules fit for purpose?

There is a lack of environmental standards related to trade on issues such as pollution, biodiversity loss and production standards in general. This is partly because WTO rules only allow discrimination against products based on science (mainly food safety issues).

Arguably, these forty-year old rules are not up to the challenges facing the world, and there is a need to discriminate within the WTO framework to lower the environmental and health impacts of our food.

Discriminating within the rules

WTO rules are framed around whether a product or service is harmful to health. Food safety and disease risk clearly fall within this remit. There is a strong argument that climate change is harmful to health, so border carbon adjustments and other ways to deal with the climate emergency could be accepted as part of the framework. Other clauses allow countries to discriminate based on a 'public moral hazard', which animal welfare arguably falls under. However, there are no clauses that allow discrimination based on biodiversity loss, soil health etc.

”Yes, we can theoretically green trade within WTO rules, but [...] we obviously need to do it from a societal perspective”

Even using the legitimate mechanisms to create barriers to trade goes against the fundamental WTO principle that trade is good and should be increased. It also creates diplomatic tensions. For example, the EU is sometimes accused of holding trade back and protectionism. Other countries argue that the EU is discriminating in favour of its own farming economies and withholding other countries' legitimate interests to export to the Bloc.

The EU has been somewhat successful in getting round the WTO rules, either by defending its position or by 'fudging' issues, e.g. around banning hormones. As the UK is no longer in the EU it is important that it maintains and defends those standards (and ultimately improves them).

The WTO conundrum is essentially that UK standards cannot be raised because we cannot discriminate against other countries for exporting low standard foods to the UK. This drives the UK economy to cut standards rather than raise them. Thus it becomes a race to the bottom unless we green the WTO.

Changing the rules

A number of key questions need addressing if the WTO rules are to become fit for purpose. How can border carbon adjustments and biodiversity standards be brought into the WTO framework? How can countries legitimately discriminate on production processes and not only on things that can be measured at the border (i.e. how can the externalised issues associated with food be assessed?). One example of this problem is antimicrobials. Although fed to animals in countries of origin, they are no longer present once the meat arrives in the country of end use.

The fundamental question is: is society willing to continue to eat in a way that damages and exploits our natural world?

Concluding comments

A lot of progress on meat and dairy standards has been made in the past decade. There is broad agreement on the challenges and the need to work together, and on the fact that the government needs to work more collaboratively and encourage industry to do the same.

There needs to be collective recognition that growing consumption year after year is not possible on a finite planet, and that offshoring and externalising the environmental and health impacts of global food systems has to stop. This is particularly relevant to meat and dairy, which has the largest carbon footprint in agriculture, which is itself one of the largest greenhouse gas emitters.

Trading standards must be a key tool in shifting from a GDP to a wellbeing economy. WTO rules must either be changed or interpreted to allow for discrimination on environmental grounds, which will re-set the market conditions and drive change for the good, rather than profit at any cost.

What next?

Changing diets, transparency and standards

- Diets will likely shift away from meat based to plant based, due to climate and public health concerns. This will affect how meat is produced and traded.
- Current trade patterns and standards make transparency in the food system difficult.
- The number of governmental and private standards is confusing for industry and citizens. Working on equivalence and possibly a converging set of standards may be useful.
- People want the government to maintain high food standards, and their voice needs to be represented when setting new trade policy.

Reforming the WTO

- The 40-year-old WTO rules are not fit to deal with the climate emergency.
- There is some room to manoeuvre to discriminate on the basis of 'moral hazard' and health, but not on nature.
- The WTO needs to be reformed to support the climate agenda.

Further resources

- [BVA One health in action report](#)
- [BVA Choose Assured infographic](#)
- [BVA position on sustainable agriculture](#)
- [British Retail Consortium climate roadmap](#)
- [Which? National Trade Conversation](#)
- [Trade Unwrapped](#)

Other relevant Business Forum reports:

- Brexit food ethics: trade deals and trade-offs - link [here](#)
- Meat insecurity – link [here](#)

This is a report of the Business Forum meeting on 10th November 2020. We are grateful to our speakers, **Professor Tim Benton**, Research Director, Chatham House; **Sue Davies**, Head of Consumer Protection and Food Policy, Which?; and **Simon Doherty**, Vet Sustain. **Helen Browning OBE**, farmer, Chief Executive of the Soil Association and member of the Food Ethics Council chaired the meeting. The views expressed in this report do not necessarily represent those of the Food Ethics Council, nor its members. For more information on the Business Forum, contact Dan Crossley dan@foodethicscouncil.org +44 (0) 333 012 4147.