

Response ID ANON-FX2T-4WAH-R

Submitted to **Consultation on trade negotiations with New Zealand**

Submitted on **2018-09-28 22:53:20**

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, New Zealand?

No

NGOs - Questions about the UK's future trade relationship with New Zealand

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

Yes

NGOs - The UK's future trade relationship with New Zealand - priorities

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

Please supply your answer and any supporting evidence below:

We would want the Govt 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 though economically viable sheep farming in the UK.

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 New Zealand (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 whereas NZ has a population of just over 4.5 million people. The total sheep flock is recorded as being between 30 million and 33 million in both countries. 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, with between 65 and 74% of this volume from NZ). NZ exports circa 90% of its production. Consequently there are no opportunities for the UK to export sheepmeat to NZ, and the UK already takes around 70,000 tonnes of sheepmeat from NZ as part of a TRQ between NZ and the EU.

It is worth stating that when the original quota between NZ and the UK was agreed it was based on a frozen carcass trade. This has changed now to cuts, the consequence being a higher percentage of higher value saleable meat that more directly competes with our domestic product.

China is a market that is identified as important to the future of the UK in relation to meat production. China is also a market that NZ already exports to, and when trade conditions to China are favourable the result could be lower volumes of NZ product coming to the UK (as well as creating opportunities for UK exports in the longer term). We would want to see any trade deal between the UK and NZ be 'phased' or 'linked' to the UK's ability to export sheepmeat to China, and we would consider it unfair to increase trade opportunities to NZ without equivalent opportunities being available to the UK.

Crucially, a free trade relationship between the UK and NZ that resulted in any more NZ lamb into the UK would only damage our sheep industry, with resulting negative economic, social and environmental outcomes. It should be noted that NZ lamb supply has seen volatility relating to extreme weather conditions over recent years, in fact most nations across the world are seeing climate related and political volatility that 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 NZ, 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 NZ 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 NZ 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 this TRQ split into seasonal periods ie quarters. This is on the basis that both countries have opposite seasons and historically NZ product has come to the UK in seasonal periods of shortage ie the late winter and Spring, balancing supply and demand. Over recent years we have seen NZ spread their exports to the year into our own seasons of high supply (mid summer and autumn) and this trend undermines our domestic market.

We would like to see any lamb imported from NZ to be of the same environmental, welfare, traceability, and social standards required of UK producers. There is a history of NZ lamb produced to lower standards (and related lower costs of production) being imported into the UK and promoted on price promotions 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.

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, Public Procurement, Labour and Environment, Small and Medium Size Enterprises (SME) Policy

NGOs - The UK's future trade relationship with New Zealand - concerns

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

Please supply your answer and any supporting evidence below:

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 NZ, yet the UK is a sheep producer of similar scale and we are dependant on exporting to the EU - a trade that is under significant doubt and pressure due to Brexit. 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 NZ lamb that might come to the UK as a result of negotiating the share of the existing sheepmeat quota, and we are equally 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 NZ 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, Products Standards, Regulation and Certification, Competition, Labour and Environment, Trade Remedies and Dispute Settlement, Small and Medium Size Enterprises (SME) Policy

NGOs - The UK's future trade relationship with New Zealand - other comments

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

Please supply your answer and any supporting evidence below:

The UK and NZ sheep farming sectors (bodies and individuals) already have a positive relationship and work together where we can. We recognise the sensitivities of trade and both sides 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. There have been discussions over whether we could collaborate on serving third country large scale markets such as the US, and China, due to our seasons, in theory at least, being complimentary.

We have long criticised UK retailers for price promoting NZ product and not UK product (with NZ lamb sometimes being retailed for prices less than the stated import price. We have also 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.