



All-Party Parliamentary Group on EU-US Trade & Investment

Note on Agriculture, Food and Drink and TTIP – July 2014

TTIP: the potential gains and concerns for UK Agriculture, Food and Drink – consumers, workers and companies

The All-Party Parliamentary Group on EU-US Trade & Investment held a *meeting on the Agriculture, Food and Drink Sector and potential benefits and challenges from a Transatlantic Trade and Investment Partnership (TTIP) on July 14th in Westminster Palace with the following panelists:*

The Food and Drink Federation Director General Melanie Leech
Unite Executive Council Member Ivan Moncton
National Farmers' Union Deputy Director General Martin Haworth
Which? Senior Policy Adviser Sue Davies

The Agriculture, Food and Drink sector is the largest manufacturing sector in the UK accounting for some 15% of total manufacturing. 96% of businesses in the sector are small- and medium-sized companies. Melanie Leech said the sector saw huge opportunities resulting from a transatlantic trade deal, particularly as US trade is extremely important for the industry. If alcohol is included the US is the 3rd largest market worldwide for the UK. She cited the EU impact assessment which estimated an export gain of between 26-45% for agricultural products as a potential result from TTIP.

Leech said the largest gains are expected to come from a lowering of transaction and compliance costs connected to duplicate regulatory requirements connected with transatlantic trade. A TTIP deal is also expected to provide new market opportunities for UK companies, provide consumers with greater choice and reduced prices, and improve UK food security.

Ivan Moncton of Unite the Union said that Unite had decided to take a stand opposed to TTIP "at the moment", but stressed that the union was not anti-trade and wished to discuss TTIP further. A large share of the jobs for the 100,000 Unite members in the industry were tied to trade in agriculture and food and drink products. Moncton pointed to general overarching concerns with TTIP related to labor rights and isds in addition to raising concerns about the size of US farms and the lower production costs of beef for example in the US. He also mentioned health and safety related fears tied to the use of hormones and genetically modified products.

Haworth said the NFU would have preferred a multilateral trade deal but was in principle supportive of the TTIP negotiations. NFU saw the deal also as potentially useful for the rest of the world. Haworth pointed to the EU and UK positive trade balance in agricultural products with the US. The UK has clear offensive interests in raising export opportunities to the US market for example in dairy products and lamb. He also mentioned that tariff rates were high for many agricultural products while generally low for process food and drink. UK defensive interests were tied to regulatory issues related to the use of beef hormones, antibiotics and egg- and poultry- welfare.

NFU was not concerned about competitive challenges linked to the scale of production in the US. NFU hoped a trade deal would bring improvements on the regulatory side in the EU for example in the approval system for GM products which he termed dysfunctional.

Sue Davies said Which? also supported a Transatlantic trade and investment deal as the consumer organization was convinced it would bring greater choice and reduced prices for consumers. UK consumers' attention to food prices is only second to their focus on energy prices. The organization is against the inclusion of an investor state dispute settlement mechanism and is actively promoting a greater consumer focus in the negotiations. The food sector is where the risks are greatest for health and safety concerns that directly affect consumers.

For Which? traceability and control of supply chains were important issues, as is labeling. She pointed to four areas where US and EU approaches were different and had to be reconciled, GM foods, animal cloning regulations, use of growth promoters and the treatment of carcasses with chemicals.

In the ensuing discussion it was underlined that the UK should continue to emphasize the importance of high quality food that is affordable and nutritious. An agreement should not lead to a leveling down of standards but potentially a leveling up. Haworth, Leech and Davies all mentioned that Europe could learn from the Americans in some areas. The goal is to take away the added costs of unnecessary regulation without lowering consumer protection.

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