

BULLETIN SPECIAL – ‘F is for Food’

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UK-Australia Free Trade Agreement

INTRODUCTION

“The key thing is if we remain in the Customs Union or a customs union...we will be subject to the common external tariff and that means higher prices for food, clothing and footwear.”

So said Jacob Rees-Mogg in a *BBC Radio 4* Interview for the *Today Programme* on 23rd February 2018.

That was four years ago: what's happened since?

Very little, according to Economist Catherine MacBride in an in-depth article for *Briefings for Britain*. As a member of the Trade and Agriculture Commission she should know. It is her job to go through trade deals, tariff by tariff line by tariff line.

We have argued time and again in this Bulletin for a ‘bonfire of the regs’ and for the government to take full advantage of the new freedoms and opportunities beyond the confines of the EU Single Market. But so far disappointingly little has been achieved.

And until we see evidence of real progress, we feel honour bound to continue to press the government in areas where it is obviously failing and try to bring pressure to bear.

Where's the beef?

In that spirit, we publish our first *Bulletin Special* – a forensic look at government policy in a particular area – in this case the UK-Australian Free Trade Agreement – whose tariffs on imported Australian beef remain ‘eye-wateringly high’. And all this at a time when the UK consumer faces the twin-pressure of rising prices and stagnant incomes.

Regrettably however there is precious little sign of the ‘free trade’ we were all promised in the current agreement.

We will therefore continue to draw attention to the flaws and anomalies in the present arrangement which the article below so brilliantly exposes until they are openly acknowledged and addressed in full.

SUMMARY

- Claims by George Eustice, the former Environment Secretary that the Australia free trade deal was a dud in which too much was given away are total nonsense according to the Brexit Economist in her latest article for *Briefings*.
- The UK is not a large agricultural exporter – it is a large agricultural IMPORTER.
- Far from ‘throwing British farming under the bus,’ the Agreement continues to be a by-word for protectionism with unlimited imports of beef from one of the world’s

largest exporting nations for up to SIXTEEN YEARS after the trade deal is finalised – even though the UK presently imports 30% of the beef it consumes.

- This represents a terrible kick in the teeth to the hard-pressed British consumer who is looking for more choice not less at a time of rising prices and diminishing wages.
 - It is also a lost opportunity to British exporters, straining at the leash to take advantage of lucrative opportunities across industries and markets in which they excel.
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F is for Food – a primer on trade for George Eustice

By Catherine McBride for Briefings for Britain

The ‘F’ in DEFRA stands for food

“As a Minister for food, [George] Eustice should have been rejoicing that new trade deals with two large food exporters would arrive, like the cavalry in an old western, just in time to relieve Britain’s embattled citizens fighting against the cost-of-living crisis.”

Not so, according to Catherine McBride in a withering piece on the short-comings of the department over which the former Secretary of State presided and on some of the factually incorrect remarks he made in relation to the UK-Australian deal including:

Hormone-Treated Beef

- Eustice claimed that Australian hormone-treated beef would undercut UK beef.
- This statement is quite untrue: it is **against the law** to import hormone-treated beef from anywhere in the world.
- China bans hormone-related beef yet is the largest importer of Australian beef because 60% of Australian beef is produced without the use of additional hormones.

More serious are the longer-term implications for the UK on restrictive agricultural tariffs:

Rising UK Population

- Official UK Population as of December 2020: 67m
- Since then, 1.1m visas have been granted for study, work or family
- Net migration to year-end June 2022: 504,000
- Plus the daily arrival of undocumented illegal immigrants.

Demand Outstrips Supply

One important reason why UK beef exports are so small is the present size of the UK population, which has outgrown the capacity of the UK's beef producers.

Net Beef Production

- 1985: UK Population:
- Annual UK beef consumption per head: 6kg
- 2021: UK Population: 67m

- Annual UK beef consumption per head:

With less than half a million people employed in farming, and the overall population continuing to rise, the only way to survive is to import. And not just beef, the UK also has to import chicken, lamb, and pork to meet local demand.

The UK simply does not have the capacity to feed its own population and export as well. Most exports are of cuts of beef that the UK population does not eat.

Yet during the first year of the Trade deal with Australia, only 500 grams of beef per person per year will be able to be imported tariff free. This is about two Big Macs, or 2 small fillet steaks – for the Year. How could Eustice claim that this is ‘throwing UK beef farmers under the bus?’

The UK has become more, not less, dependent on EU beef over the years

In 1985: 25% of all beef imports came from outside the EU, rising to 44% by 1996.

Since 2015: non-EU beef imports have fallen below 10% of all UK beef imports.

Since 2020: they made up only 2% of UK imported beef even though the world’s largest beef exporters are all non-EU countries – Brazil, US, Australia, India, Argentina.

“At the same time total UK beef imports rose from 210,000 tonnes in 1985 to a high of 365,000 in 2018. So, despite Eustice’s protestations about Australia, the UK has become more and more dependent on EU – and specifically Irish – beef.”

The Current Trade Agreement does NOT give unlimited access to UK markets

This, argues Catherine McBride, is the biggest irony of all:

- The current agreement limits access to almost every Australian agricultural export except wine.
- The tariffs on beef are an eye-watering **12%** plus up to £2.54 per kg.
- Tariff-free beef will be introduced over **15 years**.
- In the first year of the trade deal only 35,000 tonnes of Australian beef will be imported tariff free.

That's one large steak per person for the entire year!

CONCLUSION

So much for selling out UK farmers. As the data makes clear, these tariffs will do nothing to arrest the short-fall in UK farming capacity whilst inflicting pain on consumers at a time of acute financial stress.

As we have repeatedly argued, free trade remains the best way to stimulate business, raise living standards, and boost our exports. It also provides a platform from which to extend our diplomatic reach and enable the United Kingdom to remain a full and active member of the international community.

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The full article can be read [here](#).

