



Recommendations for the UK US Free Trade Agreement: how to improve animal welfare while remaining competitive and compliant with WTO rules

Summary

The UK Government has said they will maintain and, where possible, improve standards of animal welfare in the UK¹, particularly as new free trade agreements (FTAs) are negotiated². The UK has higher animal welfare standards than the US in virtually every area that is being negotiated, particularly with regards to on-farm, transport and slaughter standards and regulatory processes. It is essential for the UK to be able to safeguard its current welfare standards. This can be done through the UK insisting on the right to refuse to import US products produced to lower welfare standards than those of the UK and conditional liberalisation for higher welfare animal-based products based on preferential tariffs, tariff rate quotas or non tariff measures. A groundbreaking FTA must have a chapter on animal welfare, including detailed provisions on animal welfare cooperation. It should also formally recognise the links between animal welfare and sustainable development (e.g. climate change and antimicrobial resistance) under the sustainable development chapter. The UK needs to adopt a transparent approach in agreeing its mandate, during negotiations and adopting the FTA.

Introduction

This note is published by the twelve members of the UK EU Taskforce, who represent the leading animal welfare organisations in the UK. It sets out clear recommendations to the UK Government in the negotiations between the UK and the US on a FTA and assesses the sensitive products that could cause animal welfare standards to decline.

The UK has repeatedly stated since the Referendum in 2016 that it will seek to improve animal welfare as it leaves the EU and take any opportunities to improve it that arise. The Government has been clear it will ensure standards should be based on science but not result in any diminution of animal welfare standards², and the independent trade regulator will ensure all food imports into the UK comply with UK legal standards¹. In February 2018, we outlined the risks and opportunities of various Brexit scenarios for animals in the UK. To ensure the risks are minimised and the opportunities grasped, we call on the UK government to include: a standalone animal protection chapter in the FTA; reference animal welfare in the sustainable development chapter; set out areas for better cooperation to improve animal welfare; adopt the principle of conditional liberalisation for higher welfare animal-based products based on preferential tariffs, tariff rate quotas or non tariff measures.

The US-UK trade agreement must:

- not undermine UK standards of animal welfare, food safety or environmental protection.

¹ Minister for State DIT NCDeb 27 January 2020

² <https://www.gov.uk/government/speeches/pm-speech-in-greenwich-3-february-2020>

- protect UK farmers from imports produced to standards lower than those of the UK.

In addition, the UK should introduce a transparent system to ensure the FTA has a clear mandate and goals, a clear system for parliamentary approval, and an impact and monitoring system involving civil society.

The UK-US Free Trade Agreement

The Agreement should contain the following areas:

Market access

The US negotiating objectives state they wish to promote greater compatibility between U.S. and UK regulations. There is a danger that enhanced compatibility of regulations would make it difficult for the UK to improve its farm animal welfare standards. There is also a possibility that the US will put pressure on the UK to dilute its existing regulations in order to make them more compatible with those of the US. US regulations on farm animal welfare are generally substantially lower than those of the UK so any cost differentials in production methods between systems become important as they could leave UK producers vulnerable to cheaper imports, as shown specifically in the egg, chicken and pig sectors. UK farmers, who are obliged by law to farm to higher standards, would be undermined on cost if the UK were obliged to accept imports from the US produced to lower welfare standards. The US has no federal animal welfare regulations aside from slaughter and transport and in these and many other areas the laws are far less detailed and demanding than the UK regulations. For instance, the UK has banned barren battery cages for laying hens since 2012 and sow stalls since 2009 but there is no US federal ban on either, although they are banned by a number of US States.

Agreeing a US trade deal without tariff and non-tariff protection would undercut UK producers who are producing to higher standards. Failing to prevent the import of food produced using methods illegal in our country, would put many domestic producers out of business and lead to a race to the bottom, a race the UK cannot win. If tariffs are set for animals and animal-based products, the UK should push for tariff-rate quotas (TRQs) favouring higher welfare products. The UK already implements one tariff quota which permits imports of “high quality” American beef whilst stopping imports of beef injected with hormones. The EU has also agreed a TRQ for eggs raised under methods equivalent to EU standards with Mercosur.

Sensitive issues

- **Eggs:** The UK’s current Most Favoured Nation (MFN) tariffs are around 30-40% tariffs for dried and liquid eggs. The UK’s published tariff list for a no deal scenario has 0% tariffs on shell, dried and liquid eggs³. Imports of dried or liquid egg from the USA would undercut and undermine UK producers. Economic data shows differences in animal welfare standards is an important component in price differences between producing eggs in the UK and USA^{4,9}. Producing one kilo of eggs in the UK costs 77.5p, compared to 55.5p in the USA⁵ although most of this is due to substantial differences in feed costs. The UK should retain its current tariffs as any reduction in the tariff, unless it is a TRQ for free range eggs, means that imports of dried and liquid eggs from the US would undercut UK egg producers even after transport costs are taken into account.
- **Pigs:** The UK has banned the sow stall whereas the USA still permits it in all the major pig rearing States. Other large differences in welfare standards occur. Around 40% of the UK's breeding sows

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<https://www.gov.uk/government/publications/temporary-rates-of-customs-duty-on-imports-after-eu-exit/mfn-and-tariff-quota-rates-of-customs-duty-on-imports-if-the-uk-leaves-the-eu-with-no-deal>

⁴ EFRA the welfare of laying hens directive - implications for the egg industry HC 830 2011

⁵ Horne, P.L.M. van, N. Bondt, 2017. *Competitiveness of the UK egg sector, base year 2016; International comparison of production costs, Table 3.2.* Wageningen, Wageningen Economic Research

are not kept in farrowing crates. In the major pig producing US States virtually all their sows are kept in farrowing crates. The UK has the highest percentage of pigs on some straw, around 60% of weaned pigs⁶ compared to 0-12% in the US. UK production costs are 32% higher than in the US⁷. The UK has a 23 year ban on the use of the drug ractopamine, and the import or sale of any pigmeat containing this drug, a drug which is widely used by US pig farmers. The UK's current MFN tariffs on pigmeat until January 2021 are high (70%) but its no deal tariffs were set lower⁸. The UK should insist that a trade deal with the US enables it to decline to import pigmeat produced to lower standards than those of the UK. An alternative but less satisfactory position is for the UK to have a TRQ for pigs that are not kept in sow stalls and are ractopamine free.

- **Chicken:** The UK is 65% self sufficient in chicken meat⁸ with a third of imports coming from non EU countries. The US does not currently export any chicken to the UK, due to non tariff import barriers, as the UK does not allow the washing of chicken in chlorine ("chlorine chicken" ban). The UK's current MFN tariff for poultry is around 30% and proposed keeping tariffs for fresh, frozen and chilled chicken meat⁸. This should prevent increased imports from the US which uses standards and treatments illegal in the UK. The UK should keep the ban on importing chicken washed with chlorine as it is an animal welfare measure due to the USA's lower standards in welfare and hygiene in poultry farms and slaughterhouses as acknowledged by the Prime Minister².
- **Beef:** The UK imports just over a third of all beef consumed of which 10% come from outside the EU, imported under a 0% or concessionary tariff. The US does not currently export large quantities of beef to the UK, as no beef imports are allowed if treated with hormones and the USA has not been able to fill its agreed quota of "higher welfare" meat. Although the US has stated one of its FTA goals is overturning the ban on hormone-fed beef, the UK should keep this ban on the use of hormones and on the import of beef from hormone treated cattle. This ban exists to protect animal welfare⁹. Some US hormone-treated cattle are kept in poor conditions in feedlots with which the UK's extensive cattle farmers could not compete. The UK's proposed no deal tariffs on beef were half of its present tariffs⁸. If that were to be the case, beef imports from the US could replace beef imported now from countries such as Namibia.
- **Dairy products:** bovine somatotropin (BST) is a genetically engineered version of dairy cows' own growth hormone used in the US to increase milk yield. UK law prohibits its use on animal welfare grounds^{10,11} but does not prohibit the import of dairy products from BST-treated cows. A trade agreement with the US could lead to an increase of UK imports of US dairy products from BST-treated cows. These cows generally have higher milk yields than UK cows and so may undercut UK farmers on price.

Thematic animal welfare chapter or stand alone agreement

A standalone UK-US chapter or agreement on animal protection should include the following sections:

Mutual agreement on definitions of animal welfare

The language should build on existing definitions. The US and UK have agreed one definition as members of the OIE¹². The UK's also plans to set out a process measuring animal sentience in 2020. The provisions

⁶ NPA 2017. Pig Health and Welfare Report

http://www.npa-uk.org.uk/hres/NPA%20position%20statement%20on%20welfare_May%2016.pdf
<https://pork.ahdb.org.uk/health-welfare/pig-health-welfare-council/>

⁷ <https://pork.ahdb.org.uk/media/274535/2016-pig-cost-of-production-in-selected-countries.pdf>

⁸ Republic 2018 Coming home to roost

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<https://kb.rspca.org.au/knowledge-base/what-are-the-animal-welfare-impacts-of-using-hormone-growth-promotants-in-beef-cattle/>

¹⁰ Council Decision of 17 December 1999 concerning the placing on the market and administration of Bovine Somatotrophin (BST) EEC. OJ L331, 23.12.1999, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31999D0879:EN:HTML>

¹¹ European Commission's Scientific Committee on Animal Health and Animal Welfare report on Animal Welfare Aspects of the Use of Bovine Somatotrophin. Brussels, Belgium. 10 March 1999.

¹² OIE Terrestrial Animal Health Code Chapter 1.1.1.; Appendix 3.7.1

should list explicitly that they apply to all animals. Animals defined as sentient beings possess intrinsic value independent of their use for humans whose welfare should be fully respected whilst implementing and formulating new legislation and policies. The provisions should also contain a process to assess the impact of existing and future policies on sentience. Equivalence should be based on the outcome and intent of regulations, as well as on the effectiveness of implementation mechanisms.

Mutual acceptance of regulatory process

The UK, under the REACH framework, permits the authorisation of chemicals providing they are safe. The UK will now authorise its own chemical products for market and it is essential that the US and UK share information on test data and agree a system to mutually accept such data.

General cooperation

This would enshrine current beneficial cooperation mechanisms, set up strong cooperation between the UK and the US to foster progress in each animal-related field, and promote these at the global level such as:

- undertaking cooperation in animal-free research and a shared approach to thematic reviews on the use of animals for scientific purposes, and on replacing animals with alternatives.
- international cooperation in the World Trade Organisation (WTO) to promote a debate on trade and animal welfare.
- coordination in approaches to promote better animal welfare standards in third countries through trade policy. They should share their expertise and experiences in communication and cooperation mechanisms with third partners.

Mutual acceptance of farm support systems

Both parties agree that as part of the process of defining new farm support payment systems these systems respect each other's standards and do not lead to negative trade issues such as dumping.

'Trade and Sustainable Development' (TSD) Chapter

- The TSD chapter should include a recognition that animal welfare is intrinsically linked to sustainable development
- The TSD chapter should contain strong provisions on the implementation and the support of multilateral environmental agreements like CITES or the Convention on Biological Diversity, referring to more progressive, more concrete action points and targets adopted at working level in the context of these MEAs.
- Clearer wording should be included on measures to improve the fight against wildlife trafficking
- There should also be a recognition of the link between animal welfare and the health dimension of sustainable development, such as implications of antimicrobial resistance. Antibiotics are given to farm animals at much higher levels in the US than in the UK.