After having agreed on the terms of their separation, the EU and the UK are faced with a potential mismatch between the two sides of the Channel when it comes to agriculture and foodstuff.

While the EU is rethinking the way food is produced in Europe from farm to fork, the UK sees Brexit as an opportunity and start doing things differently after more than 40 years subject to the Common Agricultural Policy (CAP) rules.

There is the potential for the two roads to massively diverge, implying new food standards that could ultimately undermine trade talks, although the agri-food interrelation between the two sides is expected to remain strong.

In this special report, EURACTIV investigates the agri-food life after Brexit and what topics could yet drive an even larger wedge between the EU and the UK.
Contents

Could the UK knock Germany off the top spot for animal welfare?

Brexit, climate change nothing to ‘wine’ about, say French growers

Geographical indications: what will change after Brexit?

Expert: UK risks farm consolidation, fragmentation post-Brexit

Aligning EU-UK phytosanitary measures must be ‘top priority’, warn agri industry
Could the UK knock Germany off the top spot for animal welfare?

By Magdalena Pistorius | EURACTIV.de | translated by Sarah Lawton

Germany and the United Kingdom are both angling to become pioneers in the field of animal welfare, with the UK saying Brexit has given it new freedom to boost standards. EURACTIV Germany reports.

Animal welfare is a hot topic in the EU right now. Most recently, the European citizens’ initiative End the Cage Age, which collected more than 1.4 million signatures between 2018 and 2020, received support at a hearing in the European Parliament.

Animal welfare is also a key part of the EU’s flagship food policy, the Farm to Fork strategy (F2F), in which the European Commission outlined the need for the revision of European animal welfare legislation.

As part of this push, members of an inquiry committee on animal welfare in transport (ANIT) called on the Commission during a recent hearing to consider ending the export of live farmed animals to third countries.

At the December EU summit, European leaders also agreed to the introduction of a uniform EU-wide animal welfare label, an initiative driven by Germany with the backing of the country’s Agriculture Ministry (BMEL), which would like to see Germany become a pioneer in animal welfare.

THE UK – A GLOBAL PIONEER?

However, it is the UK, the first country in the world to grant animals legal protection from “unnecessary suffering” back in 1822, which has always been the front runner in the
Having left the EU, the UK is free to unilaterally advance animal welfare standards, British animal welfare organisation RSPCA has said.

This view is apparently shared by the British government. The export of live farm animals, for example, could soon be a thing of the past, as the UK Environment Ministry announced in December.

The planned export ban is part of a “renewed effort by the government to strengthen the UK’s position as a global leader in animal welfare.”

The UK is the first country in Europe to end this practice, while within the EU, the transport of livestock, primarily on the way to the slaughterhouse, is also permitted across borders.

There are clear rules for this – for example, on the maximum duration of transport or the care of the animals during the journey.

In Germany, an additional national animal transport ordinance applies on top of EU laws, providing for even stricter rules in some areas.

The German agriculture ministry told EURACTIV it is in “consistent compliance” with this regulation. However, animal protection organisation PETA has said the protection remains inadequate and above all ensures “legalised animal suffering.”

Officially, the EU requirements also apply to the export of livestock to third countries. However, these standards cannot be implemented in many places outside the bloc, as the ANIT Committee criticised this week.

‘BREXIT SUCCESS’ WITH A CATCH

British Environment Minister George Eustice recently hailed the British initiative as a “Brexit success.” However, the livestock export ban is limited in its scope.

Currently only England and Wales are affected by the ban, with Scottish participation pending. EU law continues to apply in Northern Ireland for the time being.

Most significantly of all, the ban excludes poultry. The UK exports millions of chickens every year, with exports worth 139 million pounds in 2018, according to the Guardian newspaper.

The UK also lags behind many EU countries when it comes to caged animal husbandry.

End the Cage Age ranks the UK only 8th among its list of the most cage-free countries in Europe.

More than 16 million animals are kept in cages on British soil, the equivalent of 34% of all stabled animals, compared to 14% in Germany, or 8.2 million caged animals, and just 3% in Austria.

However, the UK is also planning new steps in this area, with the government considering phasing out cage farming “to show that the UK can commit to higher standards now it has left the EU,” as the Telegraph reported at the end of March.

In addition, farmers are to receive support to end the breeding of so-called “frankenchickens” – overweight chickens that are disfigured by rapid fattening.

CAGES AND SLAUGHTER TRANSPORTS: (NO) END IN SIGHT?

Regardless of which country ultimately wins the race to be the continent’s top animal welfare pioneer, both the European and British sides will be keen consistently enforce new animal welfare standards in trade talks with the rest of the world.

That’s easier said than done, the German agriculture ministry admitted recently to EURACTIV, because its clear that initiatives such as a European animal welfare label, for example, must not generate “any competitive disadvantages for producers outside the EU.”

However, any move to increase animal welfare in the EU or the UK may be undermined on the back of continued imports of animal products that do not comply with EU standards, stakeholders warn.
France is likely to remain the UK’s undisputed top wine supplier despite the challenges posed by Brexit, climate change and rising international competition. EURACTIV France reports.

In 2020, British importers spent an amount of £733 million (€844 million) on wine from France, making the country the UK’s leading supplier, ahead of Italy, New Zealand, Australia and Spain.

Apart from a slight fall in exports to the UK last year due to the pandemic and related restrictions, the additional administrative burdens brought by Brexit do not seem to have left too much of a mark.

“It is true that for French operators who had never before shipped their wine to a third country, the additional administrative burden is felt,” Nicolas Ozanam, general delegate of the French Federation of Wine and Spirits Exporters (FEVS), told EURACTIV.

The cost of the new procedures also mainly affects small and medium-sized businesses.

However, the “vast majority” of operators exporting French wine to the UK would also export to other third countries and would therefore be used to the administrative formalities, Ozanam pointed out.

The cost of adapting to new procedures would remain “marginal” in relation to the value of all exported wines, he added.

Foresight was also a boon to the industry. In anticipation of Brexit, French winemakers decided to increase the volumes of wine shipped in order to build up stocks in the UK.

Continued on Page 7
"We were privileged because our product is stable, we can store it for a few months without any problem, allowing us to anticipate the exit," explained Ozanam.

Vincent Léglantier, winemaker and secretary-general of the French wine and vineyard association (ANEV), pointed to the fact there was "a surge in champagne purchases". In anticipation of the new conditions of the post-Brexit regime.

"There was clearly a desire on the part of the British to build up a cellar with French wines," he said.

Despite currently being the UK’s largest supplier, France is also facing growing competition from New World wines, including those produced in Australia, South Africa and Chile. Since Brexit, this competition has grown even fiercer, according to Léglantier.

Both Léglantier and Ozanam are not worried that Brexit will substantially change things, pointing to the long-standing tradition of drinking French wines in the UK.

**UK WINEMAKING BOOM COULD THREATEN FRANCE**

Domestic production is also seeing a boom as climate change increases average temperatures in the UK. Particularly popular are sparkling white wines with properties similar to those found in champagne.

Meanwhile, French winegrowers are increasingly impacted by periods of drought, torrential rain and frost.

Still, Ozanam said this should not worry French producers because climate change is a long-term development, while the UK’s agricultural space is already established and a shift towards significant viticulture will not happen overnight.

"When a country starts producing wine, it becomes part of the national DNA. The expansion of national production arouses consumer interest and wine consumption increases," explained FEVS’ delegate general.

In other words, major wine-producing countries are also the biggest consumers – and importers.

Besides, even if climate change were to favour the production of white wines, “the UK will not be able to make red wine,” explained Léglantier. Although Brexit could lead to the Brits having more thirst for their local whites, “it won’t replace traditional wines,” he added.

For the moment, growing wine in the UK also “remains anecdotal”, the ANEV secretary-general said.

Although the British wine industry produced a record 98,000 hectolitres of wine in 2018, France produced 49 million that same year, which is 500 times more – a reassuring number for French winegrowers facing Brexit, climate change and international competition.
From Welsh lamb to Scotch whisky and Stilton cheese, the protection of British geographical indications (GIs) are unlikely to cause any great headache after Brexit, although care will be needed when handling the issue in future trade talks.

The concept of GIs is designed to protect the names of specific products in order to promote their unique characteristics, linked to their geographical origin as well as to the know-how embedded in the region.

In a nutshell, it is thanks to GIs that only the dry-cured meat produced in the hills around the Italian city of Parma can legitimately bear the name of Prosciutto di Parma.

And it is also the reason why you can make champagne only if you use grapes grown in the French region of the same name.

European citizens can find these products on their supermarket shelves labelled with specific labels for local food specialities such as PDO (protected designation of origin) and PGI (protected geographical indication).

These product names are also included in the EU system of intellectual property rights, legally protecting them against imitation and misuse.

A recent Commission study that collected economic data from each of the 3,207 GI-protected products from across the EU found that GIs represent a sales value of more than €74 billion.

A total of 65 British foodstuffs are registered as GIs, including livestock such as Welsh lamb and Gloucestershire old spots pork, as well as Stilton cheese, Scotch whisky, and Jersey Royal potatoes.

As with many other things, Brexit will partially change the situation.

**WHAT WILL CHANGE**

The issue of GIs was addressed in
the section of the EU-UK withdrawal agreement devoted to intellectual property.

In particular, Article 54 reads that all EU geographical indications already registered in the EU by 31 December 2020 (the “stock”) remain protected in the UK.

“All the product names that were protected under the EU scheme before the end of the transition period will remain protected across the UK,” a spokesperson from the UK’s department for environment, food and rural affairs (DEFRA) told EURACTIV.

UK producers will continue to have access to the EU GI system and can apply for the EU protection, just as any other third country producers can.

However, new GIs entered into the EU register after 1 January 2021 will be protected only inside EU territory.

This means that EU producers will have to apply to UK authorities to also obtain protection as a GI in the UK. Likewise, applicants for EU GIs pertaining to UK products will need to register their products for a UK GI first access to the EU GI scheme.

According to Iona Silverman, an intellectual property expert of the legal firm Freeths, this is the only flip side of the coin. “But this is procedural and is unlikely to cause any great headache,” she told EURACTIV.

The UK is setting up its own GI scheme to be managed by DEFRA, where the responsibilities of those producing and selling products using names protected under the schemes will remain largely unchanged.

“The new UK GIs schemes ensure that we continue to recognise and protect authentic products and recipes across the UK,” the DEFRA spokesperson said.

The agency is actively promoting the use of the new UK GI logos on products that will include aligning with existing UK food and drink promotion activity such as the “Food is GREAT” campaign.

EU products protected in the UK are also entitled to use the new UK logos if they wish, the DEFRA spokesperson continued.

**NORTHERN IRELAND EXCEPTION**

The situation is slightly different in Northern Ireland, where EU law related to geographical indications applies as a consequence of the Northern Ireland Protocol.

This means that the protection of EU geographical indications registered even after the end of the transition period will extend to Northern Ireland as well. This holds as well for the protection of GIs under EU international agreements.

This exception is justified by the fact that some Irish GI products like whisky are actually produced in both Northern Ireland and Ireland.

“It is difficult to assess other scenarios at this stage, but if different rules start to be negotiated and there will be a divergence, this will cause a bit of irregularity,” legal expert Silverman told EURACTIV.

“Northern Ireland is part of the UK: if we drive a wedge between the UK and the EU GI rules, we risk driving that wedge between Northern Ireland and the rest of the UK,” she added.

Contacted by EURACTIV, a Commission source confirmed that the EU is not aware of any issues with regards to the implementation of the Northern Ireland Protocol in relation to geographical indications.

However, together with customs and trade facilitation, GIs are always sure to hit a nerve during trade talks.

“GIs are a big point in trade talks,” said Silverman, highlighting reports that there has been some disagreement about the exact interpretation of the withdrawal agreement on this point.

“It’s not a stumbling block, but an issue on the table. My understanding is that the UK is looking to negotiate looser rules. Clearly, both the UK government and the EU will be seeking to maximise their respective gains,” she concluded.
The UK has promised a greener and more pleasant land after breaking free of the EU's farming subsidy programme. But some warn that the new plans could leave small farms at a disadvantage and leave British farmers on uneven and uncertain ground.

"Now that we have left the EU, new payments and incentives will reward farmers for farming more sustainably, creating space for nature on their land, enhancing animal welfare and reducing carbon emissions," UK environment secretary George Eustice told the national farmer's union conference in February of this year.

A spokesperson for the government's department of environment, food and rural affairs (DEFRA) told EURACTIV that leaving the EU provides a "once in a generation opportunity" to develop their own agricultural policy and provide "the right support for our farmers".

Similarly to the EU's Common Agricultural Policy (CAP) reform, DEFRA plans to roll out a number of new schemes which place greater emphasis on environmental protection and are designed to reward farmers for managing their land in an environmentally sustainable way.

"In the longer term, we remain committed to introducing new schemes which reward farmers for producing public goods which help to enhance our environment," the spokesperson added.

But, as the adage goes, all that glitters is not gold. So the question is – how far will the new schemes deliver on these ambitions? And how does this compare to what is on the table for EU farmers in the upcoming CAP reform?

MOVING AWAY FROM DIRECT PAYMENTS ‘CUSHION’

A major aim of England's new subsidy programme is to move away from a subsidy-based approach to a "more business-like partnership", the
DEFRA spokesperson explained.

This means a move away from direct payments, phased out over a period of seven years so as to avoid a “cliff-edge” for farmers.

Under the CAP, English farmers received around €2.5 billion in annual subsidies, around 86% of which constituted direct income support.

This is something that has been in the works for many years, according to Viviane Gravey, a researcher at Queen’s University Belfast, specialised in the environmental and agricultural impact of Brexit.

She pointed out that the UK has long advocated scrapping the first pillar of the CAP and shifting all funding to the second pillar, the EU’s rural development policy.

“This move to phase out direct payments is designed to encourage farmers to sign up to the new scheme because it’s the only way to receive the funding they need to keep their business going,” Gravey explained.

While this could encourage a shift towards more environmentally friendly practices, it also runs a “clear risk of massive land consolidation,” she warned.

This is due to the fact that only larger farms with more upfront capital have the extra time and “luxury of strategically applying for funding”, she said.

Without the cushion against “complete poverty” provided by direct payments, this could see many smaller farmers go out of business, she said, even if phased out gradually.

Gravey also pointed out that this decision to move away from direct payments will not be rolled out in the same way across the UK.

Instead, Northern Ireland and Scotland will continue to offer their farmers direct payments, albeit in a reduced capacity.

This risks increased fragmentation across the UK, she warned.

FROM LEGAL COMMITMENTS TO POLITICAL PROMISES

Another major difference in England’s new plan for its farming sector is that, unlike the CAP, there is no longer a ring-fenced pot of money set aside for farmers.

“We have to start looking at this differently. Farming will no longer automatically continue to receive payments, we have to make our case to the Treasury like many other industries do,” Victoria Prentis, a junior minister for farming, fisheries and food, stressed during a recent event on the future of the UK’s agricultural policy.

Rob Cooke, programme director of greener farming and fisheries at Natural England, added that agriculture will “need to fight for its budget amongst other domestic priorities”.

“So it is really, really important that there is decent value for money, and that public payment for public goods delivers on environmental expectations,” he emphasised.

While this move away from an “exceptionalist” view of agriculture could provide more flexibility, the lack of binding commitments also risks leaving farmers on uncertain ground, Gravey highlighted.

“Support for farmers is moving from legal commitments to political promises,” she pointed out.

This means there is no coherence or guarantees of funding between one government and the next, leaving farmers vulnerable in the face of snap elections and political whims, she warned.
The EU and UK may have finally ratified their trade deal, but question marks remain over how the two partners will align their phytosanitary regulation, which is causing a considerable headache for the agrifood sector.

Almost five years after the Brexit vote, EU lawmakers this week endorsed the Trade and Cooperation Agreement (TCA) that now governs economic relations between the UK and the bloc, while EU-27 ministers on Thursday (29 April) agreed their position on a four-year Brexit Adjustment Reserve.

While the ratification of the trade deal has come as welcome relief, the issue of phytosanitary checks remains a thorny issue.

According to its recently released annual exports report, the UK’s Food and Drink Federation (FDF) concluded that post-transition rules and processes continue to cause a headache for the sector’s exports to the EU.

In fact, food and drink exports have been among the worst hit by the new rules, with exports down 40% year-on-year for February.

Meanwhile, a committee of cross-party MPs from the UK’s department of environment, food and rural affairs (DEFRA) released a report on Thursday, which highlighted that “considerable trade friction” had emerged for the sector, particularly firms exporting seafood and meat. It adds that businesses faced “substantive and enduring” new costs.

In recent weeks, the two sides have been in talks over the issue without

Continued on Page 13
much success.

EU sources suggested that by aligning its sanitary and phytosanitary (SPS) standards for agrifood and plant products with that of the bloc, the UK could significantly reduce bureaucracy.

However, the UK government continues to reject the idea as politically unacceptable to the UK, according to The Times.

Instead, it continues to push for a ‘New Zealand-plus’ model through which checks made on incoming food would be proportionate to the risks identified.

Warning of the wide ranging ramifications of this mismatch, the agrifood sector is urging the EU and UK to take a “pragmatic approach” on the issue.

“We need to get to a set of solutions, which I think is doable, that protect the integrity of Europe, but at the same time put in place pragmatic solutions, which don’t undermine either jurisdiction,” said Michael Bell, executive director of the Northern Ireland Food and Drink association (NIFDA).

RISK-BASED APPROACH MIXED UP IN POLITICS

Highlighting that Brexit has disproportionately disrupted the careful equilibrium of the “eating ecosystem” developed over the past 40 years, Bell pointed out that the UK is not a homogenous entity.

Instead, Northern Ireland stands to be one of the hardest hit as it exports 75% of its agrifood products, and the sector represents the largest industry in the country.

“We need frictionless trade for Northern Ireland. Unfortunately, that’s not what we’ve actually got, despite being promised it,” he said.

Stressing that a risk-based approach has got “mixed up in politics,” Bell said that the EU and UK governments need to “think very carefully about the consequences of making food more expensive, reducing consumer choice, and driving food waste”.

NO TIME TO LOSE

“Every month there are more problems. And they’re not small problems,” Bell said, warning that unless politicians are prepared to establish some flexibility, he does not foresee a stable solution.

“We need the protocol to be affordable, stable, simple, and clear. Unfortunately, we haven’t got any of those at the minute”.

Given that the grace period for the current arrangements ends in October, NIFDA’s Bell warned that time is of the essence.

“They’re playing with fire politically,” he said.

Paul Kelly, director at Food Drink Ireland, told EURACTIV that food and drink companies face “substantial non-tariff barriers” to trade between Ireland and other member states and Great Britain with customs, SPS and other food safety requirements.

This is leading to “substantial ongoing costs which will have to be absorbed not just by the food supply chain but by consumers as well,” he said.

“Reaching agreement on measures to ease and facilitate customs and SPS requirements should now be a priority for both sides,” Kelly stressed, adding that the TCA’s specialised committee on sanitary and phytosanitary measures should be “activated as quickly as possible”.

“Proactively engaging on these issues is the only way to reduce trade friction from SPS measures and limit the costs passed onto the food chain and the consumer”.

Contacted by EURACTIV, a Commission official said that the EU’s SPS implementing legislation is constantly being adapted to take into account the latest developments.