



TRADE & ANIMAL WELFARE COALITION SUBMISSION

Lords Enquiry into the Comprehensive and Progressive Trans-Pacific Partnership

Overview

The Trade & Animal Welfare Coalition is a group of NGOs who have come together to share knowledge and expertise on all issues relating to trade and animal welfare. Our membership is listed on our website www.tawcuk.org. We are responding to this enquiry with a focus on standards relating to animal welfare (including health) within CPTPP.

TAWC believes that trade policy represents a unique opportunity for the UK to positively influence animal welfare abroad and ensure its place as a world leading force for higher welfare standards. The UK should actively seek to influence through trade agreements in a positive way where we assist other countries in raising their standards based on the SDGs. The UK can also use conditional access to its market to incentivise states and producers to improve their animal welfare standards.

TAWC has concerns around the UK joining the CPTPP based on animal welfare grounds and the fact that there is no explicit language on animal welfare or any precedent of a conditional trade preference in CPTPP. The UK has higher legal minimum animal welfare standards with product standards and regulations, as well as sanitary and phytosanitary measures, differing significantly between the UK and the nations already party to CPTPP. The CPTPP Chapter on Goods aims to reduce tariffs on most goods, which could have an impact on the imports of animal products, as, at the moment, they are protected behind relatively higher tariffs. Therefore, whilst joining CPTPP offers scope for UK businesses to export to member countries with zero tariffs, it also means that the UK will be asked to reciprocate and if there is no equivalency agreement, it could lead to a surge in imports of lower welfare products, which could undermine UK producers and standards. Australia and New Zealand will be focused on gaining greater access for beef and sheep meat in particular. Both export under TRQs to the UK and will want to see an increase in volume of the quota. Canada will see export opportunities on the back of the UK-Canada FTA for further increases in quotas for chicken and beef. All these countries use methods of production illegal in the UK.

Within our full response, we have also outlined the opportunities with the CPTPP to both protect and raise animal welfare standards. Currently CPTPP does not include any language on animal welfare cooperation but the UK should seek to include side agreements with CPTPP partners provisions on animal welfare cooperation, tailored to the level of development of the country, as well as to the importance of their livestock sector or the use they have of animals in science for instance. Animal welfare cooperation provisions should aim at enhancing the protection and welfare of animals, cover all animals, and include, where possible, an objective to align standards upwards, and where suited, capacity building and technical assistance. It should also recognise the link between higher animal welfare and sustainable food systems and use the collective body of CPTPP to push and improve international standards at fora such as the OIE, which was one of the recommendations of the Trade & Agricultural Commission's report and the WTO.

Q1 What are the potential benefits of joining the CPTPP that go beyond bilateral agreements with individual member countries of the CPTPP. Are there any disadvantages? What are the potential economic impacts on the UK?

1. Potential Advantages

CPTPP accounts for a substantial share (about 13%) of world GDP so it provides a good economic opportunity for the UK through access to member markets, and a pledge to eliminate or reduce 95% of import charges or tariffs. There is retention of tariffs to protect sensitive domestic areas, like Japan's rice farming and Canada's dairy industry which shows there is scope to maintain tariffs to protect certain areas where UK animal welfare standards are higher than those of CPTPP members. While there is no language on animal welfare in the text, the UK could strive to use the cooperation mechanisms listed under the chapter on "Environment" to raise animal welfare standards in connection to objectives that are explicitly included in the text (biodiversity, climate).

2. Potential Disadvantages

CPTPP does not address animal welfare. There is no explicit language on animal welfare or any precedent of a conditional trade preference in CPTPP, and the UK has higher legal minimum animal welfare standards in many areas than the majority of members of the CPTPP. This is important as most UK animal welfare standards do not apply to imported products and,

therefore, unconditional trade liberalisation could lead to an increase in animal products coming from CPTPP countries, where animal welfare standards are most often lower than in the UK. This could place a downward pressure on current UK standards, as well as undermining the UK's higher welfare farmers. TAWC member World Animal Protection published an updated version of its Animal Protection Index in 2020, and on farm animal welfare, the UK got a D rating. As seen from the list below, only two other CPTPP countries got the same rating and only one a higher one - New Zealand with C.

1. Canada (D),
2. Malaysia (F)
3. Australia (E).
4. Japan (G)
5. New Zealand (C)
6. Chile (F)
7. Mexico (D)
8. Peru (G)
9. Vietnam (G)

As an example of the areas where welfare standards will be lower, the UK has banned certain methods of production including sow stalls, battery cages for egg production and mulesing of sheep. Canada and Australia still use sow stalls and Australia and Canada still use battery cages. New Zealand is phasing use of battery cages out in 2022. Australia allows the mulesing of sheep and exports the wool from these sheep. Additionally, the UK has banned the use of hormones in beef production which are still used in Canada, New Zealand and Australia.

Variations in SPS standards

Product standards and regulations, as well as sanitary and phytosanitary measures, differ significantly between the UK and the nations already party to CPTPP. Such standards can have an impact - positive or negative - on animal welfare. For example, Australia and New Zealand both permit chlorine treatment of chicken meat which can indicate lower animal welfare and hygiene standards on the production lines. A 2020 report by the Alliance To Save Our Antibiotics found that Australia, New Zealand and Canada routinely give antibiotics to livestock. Overall farm antibiotic use per animal is about five times higher in Canada compared with the UK. Antibiotic use per animal in Australian poultry is over 16 times higher than in the UK, while in the Australian pig sector it is nearly three times higher. It is important for UK trade negotiators to get assurances that the UK position on antibiotic use is respected and will not be challenged. Indeed, Canada and Australia have already voiced concerns at the WTO regarding the new EU rules on that topic - rules that the UK has also adopted. The UK needs to ensure that a commitment to reducing the use of antibiotics is included in any side letters they sign to the general agreement, particularly for bilateral protocols with key players in the livestock sector.

The UK Government is currently consulting on the possibility to relax the rules concerning gene editing in England. This is a controversial issue and allowing for this technique to be more used in livestock production will face a great deal of opposition from animal welfare and environmental supporters. This is due to four main factors: more humane alternative approaches to improving farm animal health and welfare exist; genome editing still causes unpredictable, adverse and unintended changes to the genome; not enough is known about the medium- and long-term effects on animal health and welfare and there is no history of safe use; there are significant public concerns about the use of GE technologies in sentient animals. Rather than improve farm animal welfare, gene editing will be used to drive farm animals to faster growth and higher yields. Among CPTPP countries, Australia has already permitted, since 2019, genome editing on farm animals, and the UK may be sympathetic to opening up trade in GE products, despite the fact that Wales, Scotland and Northern Ireland do not permit GE.

3. Economic Impact

Whilst joining CPTPP offers scope for UK businesses to export to member countries with zero tariffs, it also means that the UK will be asked to reciprocate and to lower its tariffs, especially when they are still high, for instance for animal products. There is thus a threat that UK businesses, predominantly those in the agri-food sector, could be undermined by an increase in imports from those member countries of food produced at lower standards and therefore lower costs. For beef, pigmeat and poultry producers this could have a serious economic impact.

Potential Solutions

Conditional Trade Preferences

One way to safeguard UK higher animal welfare standards would be to only grant trade preferences (lower tariffs) to animal products respecting animal welfare standards equivalent to those applied in the UK. This has not been done in the agreement recently concluded with Canada, which reduced tariffs in sensitive product areas such as beef and chicken, despite Canadian standards in these sectors being lower than UK standards.

In the context of the CPTPP negotiations, New Zealand, Australia and Canada will aim at further expanding their access to the UK market for ruminant meat (sheep and beef). It is thus crucial to ensure that trade preferences should only be granted where standards are genuinely equivalent.

Animal Welfare Cooperation

CPTPP does not contain any reference to animal welfare. Among CPTPP countries, the UK has already concluded an FTA with Canada, Mexico and Japan, and is currently negotiating with New Zealand and Australia. Yet, in these existing FTAs (especially with Canada and Japan), the language on animal welfare cooperation is either very opaque or non-existent. The wording within the Mexico deal is more positive: animal welfare is addressed with antimicrobial resistance in a standalone chapter, which includes the obligation to set up a Working Group and to better implement OIE standards, as well as good language on banning growth promoters.

Q2. Is there any scope for the UK to renegotiate parts of the CPTPP agreement or can it only seek derogations and exceptions?

It is TAWC's understanding that it is not possible to renegotiate parts of the CPTPP. The UK can, however, agree to side agreements with the participants which it is already doing with New Zealand and Australia and has done with Mexico, Canada, Vietnam and Japan.

The CPTPP Chapter on Goods aims to reduce tariffs on most goods, which could have an impact on the imports of animal products, as, at the moment, they are protected behind relatively higher tariffs. If there is no equivalency agreement, it could lead to a surge in imports of lower welfare products, which could undermine UK producers and standards.

The Chapter on SPS measures contains an article underlining the importance to recognise, where possible, equivalence between SPS standards. Each member is allowed to address this on a case-by-case basis and the right of each party to set up its own level of protection is recognised. However, the chapter has no reference to the possibility to regulate in case of scientific uncertainties - and thus to rely on the precautionary principle. At the moment, the UK has several measures based on this principle in place, which benefit animal welfare (i.e., the ban on chemical rinsing for chicken meat, the ban on the use of hormones as growth promoters). As CPTPP members have already challenged the scientific veracity of these measures at the WTO, it is likely that they would put further pressure on the UK to relax them, both during negotiations but also afterwards, as the UK would commit to a SPS chapter that does not explicitly allow for such measures. Australia and Canada still permit chlorine washing of chicken. The UK would thus need to clarify this in the side agreements it concludes.

Q3. What is the relationship between bilateral trade agreements with individual CPTPP member countries and CPTPP accession? What engagement process should the UK undergo with CPTPP member countries during negotiations?

Non-relevant

Q4. What are the costs and benefits of joining CPTPP to the nations and regions of the UK? What are the devolved nation's specific interests and how can they be best protected?

Animal welfare is devolved, compared to trade policy which is reserved; so, having a trade agreement which agrees to unconditionally reduce tariffs or to downgrade certain standards could be complicated where devolved nations set their own higher standards, as they could then be undermined by increasing lower welfare import of products.

As an example, gene editing is a controversial issue, and it does not gather wide support in all nations. Gene editing could be approved in England, but not in Scotland and Wales and it would remain prohibited in Northern Ireland which remains part of the EU's single market. The UK could thus commit to open up trade in GE animals through the CPTPP and a member such as Australia which has allowed GE in farm animals for more than two years would be able to trade such animals - or products derived from them - into England. Under the Internal Market Act 2020, Governments in Scotland and Wales have very limited powers to stop the internal trade in a product from another GB country, or even to discriminate against the import of products from other nations by labelling these. Under the non-discrimination principle (Article 5), any good produced in one part of the UK must be able to 'travel' to another part of the UK and cannot be placed at a commercial

disadvantage (Article 8). This would undermine the position of the devolved nations on setting their own animal welfare standards.

Q5. How would CPTPP accession benefit small and medium sized businesses and to what extent may the significant geographical distance between the UK and CPTPP member countries be an obstacle to realising those benefits?

Even if the UK is geographically distant from other CPTPP countries, there could be some scope for an increase in the market for specific meat products of high quality from small British producers who are meeting very high standards (e.g., organic, free range, locally slaughtered). On the other hand, small and medium sized businesses in the UK could be negatively impacted by increasing imports in lower welfare products. Allowing for the obstacle that geographical distance represents, the biggest opportunity for CPTPP members is to export to the UK chicken, pork, egg products and beef owing to the low standards of production making it economically viable to sell in the UK. Exports of shell eggs and dairy products are likely to remain too expensive, and thus not viable.

In the Government's overall assessment of the economic benefit of a UK-Australia FTA is that it is predicted to "increase UK GDP in the long run by around 0.01% or 0.02%." The same document goes on to predict that: "In the deeper liberalisation, the agriculture and semi-processed food sectors are estimated to see a fall in output and employment relative to the baseline as resources move towards expanding sectors." In this example it suggests that, far from being economically beneficial to the UK's farmers and food producers, an FTA with Australia will in fact have a negative impact on the sector and TAWC has concerns that CPTPP may have a similar but broader impact. We are not aware of a CPTPP economic benefit assessment by the Government.

Q6. Taiwan has recently applied to join the CPTPP. What would the impact be of Taiwan joining?

Taiwan is progressing in improving its animal welfare standards and in its recognition of the connection between animal welfare and environmental issues, which is positive. In 2017 they banned the consumption of dog and cat meat and strengthened penalties for animal cruelty. Nonetheless their standards around farm animal welfare are immature and only just developing, meaning their standards in this area are still significantly lower than most of the other CPTPP members. Taiwan is an island country with mountains covering 50% of its territory. Therefore, land and resources available for husbandry in Taiwan are limited, which has contributed to the intensive models of production on the island.

Pig production is one of the larger livestock sectors in Taiwan. An example of low welfare standards there is the continued practice of castration of male piglets, often without pain relief. Even though not legally prohibited, this practice is banned under the Red Tractor Scheme covering 95% of piglets in the UK. The procedure, which is used to prevent 'boar taint' in meat, leaves piglets in pain for days.

The EU has experienced its own complexity with Taiwanese standards when in 2018 the European Commission was asked to allow the export of Taiwanese processed egg products, including duck egg products, to the EU. Around 20% of the 2.16 million laying ducks are kept in tiny barren cages, away from the water which is so essential to maintain their health, regulate their body temperature, and keep their plumage in good conditions.

Q7. What are the offensive and defensive interests of the UK in trade in goods with CPTPP countries?

The defensive interests of the UK in goods should be focused on those products being imported to lower standards, in particular in the agri-food sector. Many countries use methods of production that are illegal in the UK. The offensive interests should be around exploring new markets for British higher welfare food.

Q8. How should the UK approach agricultural market access negotiations with CPTPP members? Which countries will be especially focused on gaining significantly greater agricultural market access to the UK?

Australia and New Zealand will be focused on gaining greater access for beef and sheep meat in particular. Both export under TRQs to the UK and will want to see an increase in volume of the quota. Canada will see export opportunities on the back of the UK-Canada FTA for further increases in quotas for chicken and beef. All these countries use methods of production illegal in the UK and there will need to be an agreed method of assessing equivalence of standards before increasing any TRQ. The newly agreed TRQ could contain conditions related to method of production, as is the case already with other beef quotas like the Hilton Quota or the EU hormone-free beef quota. Malaysia and Vietnam may see opportunities to increase exports of chicken to the UK, following Thailand's success in the field. Thailand's chicken exports are exported under retailer standards to the UK, so tend to be produced in conditions that are currently above equivalence

As the UK Government has committed to maintaining high standards, they should only be allowing further liberalisation when there is at least equivalence to our standards. This would avoid that use of methods of production that are illegal in the UK in exporting countries undermining productions within the UK. The equivalence of standards should cover not only animal welfare (i.e., battery cages; sow stalls) but also other standards that can impact welfare such as the use of growth promoters.

Q9. What economic consequences might there be for UK farmers and the agriculture and food industries? We would be particularly interested in any detailed economic analyses on this point?

There are four sectors where animal welfare standards applied in most CPTPP countries fall behind those applicable in the UK. Specifically: eggs, chicken, pigmeat and beef. In these sectors, CPTPP countries even rely on methods of production that are banned in the UK. This means those products can be produced more cheaply and their import could potentially undermine British producers and standards.

The British Egg Industry Council has acknowledged that whilst they do not anticipate any significant imports of shell eggs and egg products owing to geographic limitations from the majority of CPTPP member countries, not all of the members have national hen welfare legislation in place such as Mexico, one of the world's major egg producers. Whilst New Zealand is one of the members who get a good rating on the animal welfare index, UK produced over 11 billion eggs in 2018, 56% cage free, compared to around 31% cage free in New Zealand. Only 5% in Australia were cage free. The concern is about egg products from cage kept birds being imported into the UK with very little transparency. Imports of dried or liquid eggs produced at lower standards than in the UK at 0% tariff from countries such as Canada would undercut UK producers on price. Currently the UK has tariffs set at 29% for dried and liquid eggs and the UK needs to ensure that we only give 0% tariffs on eggs and egg products that meet our standards and impose the full tariff for those that don't.

As mentioned previously, Canada, Australia and other CPTPP pig producing exporters still allow the use of sow stalls The UK has banned sow stalls since 1999. Whilst the Australian pig industry has committed to a voluntary phasing out of sow stalls after each sow has been crated for 5 days, federal regulations permit their use for up to six weeks per pig – and in either case these standards are clearly lower than the UK's total ban on sow stalls

Other differences in welfare standards also apply in pig farming. The UK has a 23-year-old ban on the use of the feed additive ractopamine (a beta agonist feed additive used to promote growth in pigs), owing to its correlation with negative health effects in pigs, and on the import or sale of any pigmeat containing this drug which is used in the pig industry in Canada and Australia. Its use is also prohibited in the EU. There is evidence that it has a detrimental impact on pig welfare; the Humane Society of the US states that it "causes death, lameness, stiffness, trembling and shortness of breath in farm animals". Possible concerns have been expressed about its impact on human health, though the science on this is not definitive. UK production costs are 32% higher than in Canada. Currently the UK is around 55% self-sufficient in pigmeat, with most imports coming from the EU. However, pork imports from CPTPP countries could increase if the UK adopts a policy of lowering tariffs without seeking equivalency.

The UK Government has set out that they want a more self-sufficient and sustainable food production model from which public funding is withdrawn in the future. If cheaper pigmeat comes into the market, then the self-sufficiency will drop, and pig farmers will no longer find it profitable to rear pigs. The economic consequences will simply be failing farm businesses or the Government having to subsidise them long-term to maintain them afloat.

These are just two examples, but they illustrate the need for the UK to protect UK farmers and food producers from the economic impact of eliminating tariffs entirely for all CPTPP members. In addition, this would reply to concerns expressed by UK citizens, as 94% of them wanted their animal welfare standards to apply to imported goods (Eurobarometer on Animal Welfare, 2016).

Q10. Would accession to the CPTPP require any divergence from the regulatory standards that the UK and EU currently share? What would be the implications of this?

Accession to CPTPP should not require any divergence from regulatory standards the UK and EU currently share. Indeed, when it comes to agri-food standards, the UK has stated its intention to even improve them further. Yet, CPTPP countries do not share the precautionary approach currently relied upon by the UK and the text of the agreement does not explicitly respect the right of countries to rely on such an approach. Negotiating and concluding this agreement could thus put further

pressure on the UK to diverge on rules it currently shares with the EU (i.e., on chemical rinsing of chicken, growth promoting hormones or gene editing).

Q11. For which goods and sectors should the UK be seeking increased regulatory cooperation with CPTPP countries including through mutual recognition of conformity assessments?

As CPTPP does not include any language on animal welfare cooperation, the UK should seek to include side agreements with CPTPP partners provisions on animal welfare cooperation, tailored to the level of development of the country, as well as to the importance of their livestock sector or the use they have of animals in science for instance.

Animal welfare cooperation provisions should aim at enhancing the protection and welfare of animals, cover all animals, and include, where possible, an objective to align standards upwards, and where suited, capacity building and technical assistance. It should also recognise the link between higher animal welfare and sustainable food systems.

Q12. What scope is there for the UK to promote international standards through the CPTPP and how might it do that?

UK Government has reiterated that it wants to be an international leader in setting high standards of animal welfare and therefore should take a leading role in pushing and improving international standards at fora such as the OIE, which was one of the recommendations of the Trade & Agricultural Commission's report. The UK could also use cooperation mechanisms available under the SPS chapter of CPTPP, or any other relevant channel under the "Environment" chapter, to suggest a more coordinated approach towards the OIE to CPTPP partners, including on animal welfare.

The UK should use the collective membership of CPTPP to have a voice at the WTO on how WTO rules can impact animal welfare, notably by raising discussions on the extent to which non-product related process and production methods (NPR-PPMs), such as animal welfare, can serve as a basis to differentiate products. As methods of production are so linked to the global challenges we are facing at the moment (i.e., antimicrobial resistance, climate change, biodiversity loss, spread of zoonoses), this would fit the current momentum to discuss trade and environment issues at the WTO.

Where the UK already has an FTA including provisions on animal welfare cooperation, the UK could suggest launching this cooperation process (for instance, in the case of the UK-Mexico roll over FTA). Cooperation and technical assistance are the primary means through which the UK will be able to assist third countries to improve their animal welfare standards.

Whilst the CPTPP does not include a Chapter on animal welfare it does have one on the environment which sets out that trade should occur in tandem with protecting the environment and furthering sustainable development (Article 20.3) as set out through the UN's Sustainable Development Goals (SDGs). Food production systems with poor conditions for animals, such as industrial farms where animals are highly confined, are detrimental to the achievement of many UN Sustainable Development Goals and therefore, there is scope to raise animal welfare in the context of this chapter.

The UK needs to ensure it has its own clear CSR policy which captures animal welfare to then push for the development of more details in the CPTPP Environment Chapter

The UK should confirm its position on animal sentience within its own legislation and then ensure all its FTAs recognise sentience.

Q13. How can the UK ensure that its food standards and animal welfare standards are not undermined?

Most animal-based products imported into the UK after Brexit, except European ones, will not meet animal welfare standards equivalent to those applicable in the country. Further opening the UK market to poorer welfare imports will have consequences for animals, both within and outside the UK. Firstly, these imports negatively impact the competitiveness of UK producers who must comply with high animal welfare standards. Under pressure, farming lobbies will not want further costly regulation of their production. At the most extreme, this may even put the existing UK standards at risk or, at least, their effective enforcement. Secondly, providing more market access to poor welfare products means that more animals will suffer as production under lower animal welfare standards will continue in third countries and, most likely, increase to meet the higher demand generated by a lower price in the UK.

The Government's independent trade body, the Trade and Agriculture Commission (TAC), in its March 2021 report has set out a number of ways in which the UK can protect its food and animal standards. The 22 recommendations to the

Government included taking a liberalising strategy to FTAs but only where there is equivalence on animal welfare standards. It also proposed that degressivity be put into FTAs on the basis of animal welfare standards.

The UK also needs to ensure transparency in its negotiation objectives, and this should be achieved by establishing a trade policy that outlines animal welfare and environmental requirements. It will also be important to ensure transparency towards stakeholders during trade negotiations, and in general towards the public through the creation of an effective labelling system based on methods of production. Alongside this the UK should be actively building up a case around restricting trade based on the main animal welfare concerns expressed by NGOs. These trade restrictions, if challenged at the WTO, could be defended using the “public morals” exception (article XXa) under WTO rules, as demonstrated by the ruling in the EC-Seals case.

A significant percentage of the cost of producing eggs in the UK comes from legislation on food safety, animal welfare and environmental protection. This is the case more widely across the production of pigmeat, beef and chicken, however the UK can support our farmers and producers through a joined-up approach such as the new farm subsidy scheme helping with some of the costs for higher welfare systems. That can be further supported through mandatory method of production labels and Government public procurement policy.