

BREXIT

Charting the Way forward

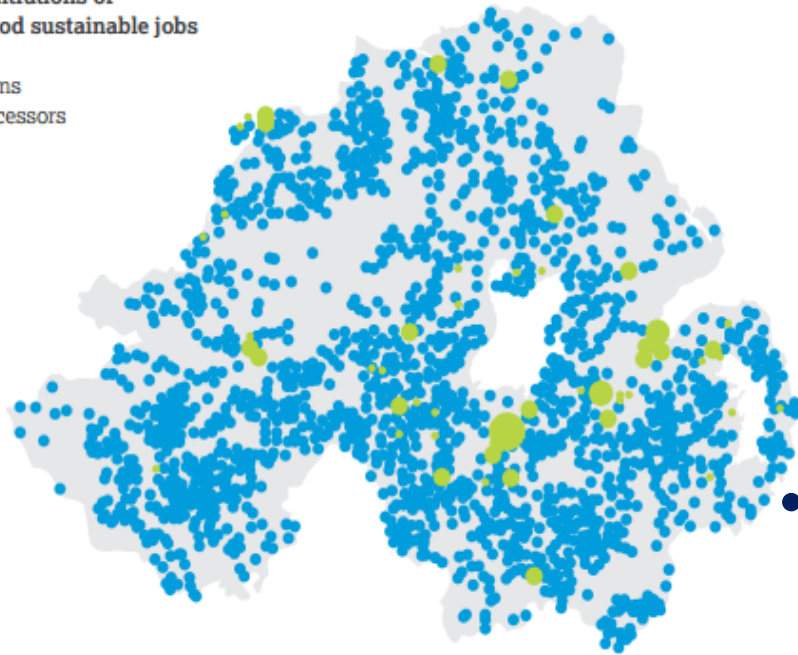
Declan Billington - Chair NIFDA

Context - our industry in NI

Impact on Rural Economy

Concentrations of agri-food sustainable jobs

● Farms
● Processors



- Turnover **£4.6bn**
 - £708m to ROI (£441m from ROI)
 - £440m rest of EU
 - £140m Rest of World.**£1.3bn (28%) subject to Trade agreements?**

• Employment

92,000 jobs exposed.

BREXIT:-

The Challenges

The “No Deal” outcome for Exports

- EU Tariff for Exports into EU (including Ireland)

EU most favoured Nation Tariffs:

	UK Wholesale Price £/kg	WTO MFN Tariff £	Price Inc. Tariff £	Potential Price Increase %
Beef carcass	3.58	2.02	5.60	56%
Butter	3.55	1.67	5.22	47%
Cheese	2.80	1.63	4.43	58%
Pig carcass	1.38	0.47	1.85	34%
Chicken	1.50	0.23	1.73	15%
Milk	50p	0,15p / litre	65p	30%

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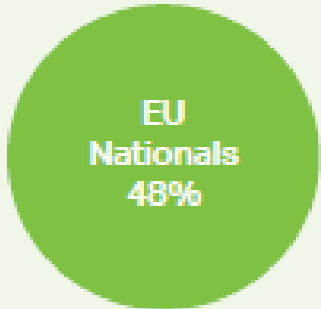
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Unable to export To EU !

Labour

Analysis of full-time Northern Ireland based employees of respondents:



- Industry survives on Non UK labour
- Uncertainty over Brexit and exchange rate driving Non UK labour pool home/ across the border

Labour

Analysis of full-time
Northern Ireland
based employees
of respondents

relies on Non UK labour

**How do we sustain our
industry scale/compete
without access to Labour?**

EU
Nationals
48%

Other
Nationalities
2%

Land Border with Ireland

NI Trade with ROI

- 25% of NI milk pool exported to ROI
- 50% of flour exported to ROI
- 36% of sheep exported
- Similar % of pigs imported

A special solution?

- Within a trade deal with Europe, possible,
- Outside of a Trade deal, WTO rules apply i.e. no special case can be made for NI.

Lo...er with Ireland

Splitting the all Island market strands both Livestock and Produce either side of the Border.

sheep exported
imported

A spec

- Within a trade
- outside of a Trade deal, w... special case can be made for NI.

Rural Economy

Multiple functions:

- Food production (Inc. Animal welfare/food safety)
- Delivery of Environmental/ Social policy (underpinning the rural economy)

EU approach

Common Tariff wall allows EU to deliver Social policy free from competitive threats that would erode our values.

Post Brexit

UK production will compete as much on **the cost of policy** as on the cost of production:-

- Living wage/ workers entitlements UK v Asian/ S. American
- Animal welfare/ Food safety
- Environmental costs

Rural Economy

multiple

- Food
- De
- th

EU

UK pro
policy as on

- living wage/ work
- Animal welfare/ Food safety
- Environmental costs

(food safety)

winning

ee

f

American

NORTHERN
IRELAND

FOOD & DRINK



**The Paradox:
UK Society values add cost
UK Cheap food policy could
offshore food production to
countries with the lowest
Standards of Human Rights!**

But... EU needs us more than we need them (for food)!

UK Trade Deficit with the World, Agri-food:

	Total £bn	Europe £bn	ROW £bn
Exports	18bn	10bn	8bn
Imports	39bn ⁵	26bn	13bn
Deficit	21bn	16bn	5bn

Source: foodpocketbook 2015 Defra/HMRC)

⁵ of which £8bn represents fruit and veg

- **27% of UK food and drink consumption comes from Europe**
- **UK pays circa £3.5bn nett into CAP.**

EU Trade agreements – more than just Trade

Canadian Trade agreement - Chapter 23 – Trade and Labour:

- EU and Canada commit to respecting the labour standards set by the International Labour Organization, and
- to ratifying and implementing the international Labour Organisation's fundamental conventions
- establishes a mechanism for ensuring both sides put the chapter's provisions into practice (enforcement mechanism).

EU Trade agreements – more than just Trade

Turkey Accession:

COUNCIL DECISION of 23 January 2006

- Human rights and the protection of minorities observance of international human rights law
- Freedom of expression, association and peaceful assembly
- Trade union rights — Ensure that full trade union rights are respected in line with EU standards and the relevant ILO Conventions, in particular as regards the right to organise, the right to strike and the right to bargain collectively.

Conclusion

EU trade agreements:-

Are more than agreements around Trade,

- include chapters dealing with Human Rights, Environment etc.
- EU will wish to continue to enshrine its “social” beliefs in a trade deal with the UK.
 - (Exporting its core values and to avoid competitive disadvantage)
- Can the same be said about the UK trade deals with the rest of the world?