The Future of the UK's Trade Policy for the Meat Sector Post-Brexit: IMTA Policy Position

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Executive Summary

Red Lines

- UK needs at least equivalent access to imports which it currently has within the EU in terms of volume, duty and border procedures.
- Imports should not be subject to any additional non-tariff barriers.
- No disruption to exports to non-EU countries from Brexit day 1.
- No disruption to UK exports to EU member states from Brexit day 1.

Trade

- International trade is crucial for the meat sector which disassembles its product.
- The population needs to be fed and the UK food and drink manufacturing sector is the largest manufacturing sector in the UK, providing employment to 410,000 people and the food and drink sector as a whole employs around 3.4 million people.
- Exports are crucial to maximise the value of the carcase for the producer.
- The meat sector is highly competitive, working with slim margins.
- In the UK today we have a 'just in time' food supply system with minimal stock levels which is crucial for highly perishable goods such as chilled meat, particularly poultrymeat.
- Transport across the EU maximises efficiency, facilitated by the absence of border formalities e.g. veterinary checks between Member States
- The Republic of Ireland plays a major part in the UK meat sector and there is huge concern about the reinstatement of a hard border.
- IMTA welcomes the crucial role of the Great British Food Unit in Defra and the Food and Drink International Plan in expanding UK exports.
- No official data exist to estimate the tonnages of non-EU product imported into the UK via other member states or non-EU product imported into the UK and subsequently exported to another member state. This is referred to in the paper as the 'Rotterdam Effect'. This may present a challenge when discussing import quotas within the WTO.
- UK businesses receive income from transactions in the rest of the EU where no product physically touches the shores of the UK. Businesses wish to be able to continue to benefit from those transactions.

Government

- Whilst the shape of our exit from the EU is being determined, it is important that UK authorities continue to engage on the issues affecting businesses today including those which require influencing of the EU institutions.
- A contingency plan is needed in the event there is no EU/UK agreement after two years.
- Free Trade Agreements will only be of benefit to the UK meat sector if government has gained the relevant veterinary approval to export to those countries.

- Government resources are needed **now** to prevent bottle necks in this export market access work, particularly with regard to meat establishment approval work undertaken by the Food Standards Agency.
- For many years there have been discussions to update the veterinary export certification IT system. This project needs to be progressed, including the facility for e-certification.

IMTA Policy Preferences – Relationship with EU

1. Given the UK meat trade's immersion in the EU market, IMTA's first preference would be to continue with duty free access and no requirement for veterinary certification or customs clearances between the UK and EU.
2. If the above is not achievable then an EU/UK Free Trade Agreement should take the form of either:
   a) Unlimited duty free access for UK exports to the EU and EU imports into the UK,
   Or
   b) Limited duty free access for UK exports to the EU and EU imports into the UK, based on historic trade volumes, but allowing for potential market growth in the future.
3. If no trading arrangement is agreed with the EU, the UK should set an erga omnes import quota at zero duty based on historic UK imports from the EU. Being erga omnes this would be open to non-EU or EU exporters to supply. UK meat exports to the EU would face very limited potential access which is why it is crucial that the UK focuses now on gaining veterinary approval to as many markets as possible.

IMTA Policy Preferences – Relationship with Non-EU Countries

- The UK's WTO tariff schedule should ensure that UK businesses have at least the equivalent access to non-EU supplies (volume at existing or lower duty rate) that they have had within the EU.
- The UK government has expressed its aim of becoming more engaged in the global market which provides an opportunity to move towards a less restrictive and more flexible import policy.
- Future management of import quotas should take into account certain key principles (see pages 22-24).
- UK regulatory policy should align itself with international principles (WTO, OIE, Codex Alimentarius).
- Existing EU Free Trade Agreements with non-EU countries should be grandfathered.
- For export, government should significantly increase resources to facilitate the veterinary market access work **now**.

Opportunities

International traders and multinational companies have experience around the world, many with offices located internationally. They are used to trading across boundaries and they survive through taking the opportunities that arise from change. Over the years the activities of our members have changed with the circumstances and so many of our members whilst seeing Brexit as a challenge also see it as an opportunity. The prospect of Brexit can appear very daunting, but provided that we mitigate the risks effectively there are a number of opportunities:

Governance

- The EU decision making process is unwieldly. A national based decision making structure can enable the UK to react more nimbly to changes in global and domestic markets.
- Often EU legislation is adopted without a proper impact assessment. UK government has the opportunity to design legislation minimising 'unintended consequences'.
- EU consultation of industry is often cosmetic, leading many to wonder why bother. UK government has the opportunity to put in place proper and meaningful consultation procedures.
- Government will be able to set the UK's own transition periods for new legislation to minimise the impact on industry.
- Government will be able to take decisions on legislation that take in to consideration the unique characteristics of the UK market.

Exports

- The Great British Food Unit and the Food and Drink International Action Plan 2016 – 2020 provide a strong base to develop our exports of meat and meat products.
- A number of countries have already expressed interest in Free Trade Agreements with the UK. These Free Trade Agreements can be designed to our own needs.
- The UK has the opportunity to look at the veterinary systems of the other global meat exporting nations to see if there are new ways we could operate.

Imports

- Within our WTO commitments there are opportunities to develop a more relevant meat import policy.
- There are opportunities to have a more flexible import system which can adapt to market developments.
- The EU import quota management systems are diverse and complex but this will provide an opportunity to apply systems which are best suited to each individual meat or even quota.

Key Action Points

Note: - indicates that this action is in the hands of UK government, not dependent on the UK's negotiating position and therefore able to be tackled now.

Immediate Priorities	
✓ **Sufficient government resource now to achieve veterinary approval for markets currently closed to UK product.**	
✓ **Confirmation that non-EU meat plants currently approved to export to the UK will remain approved.**	
✓ **Revised UK veterinary export certificates in place for all non-EU destinations.**	
✓ **Government must continue to engage in Brussels to influence legislative changes and policy whilst the UK is still a member of the EU.**	
✓ **The future of non-UK labour needs to be clarified urgently.**	
✓ **A contingency plan in the event no agreement has been reached during the two year period.**	
✓ **A contingency plan if necessary using autonomous quotas to ensure the supply of imported meat is not disrupted.**	
✓ **Clarification on how 'groupage' of product and multiple pickups and drop-offs will be handled in the event of customs and veterinary checks of EU product.**	
✓ **Confirmation on how the Northern Ireland-Republic of Ireland border will be dealt with.**	
✓ **Clarity on the situation relating to import quota performance as this will have significant impacts on importing companies.**	
Pre-Brexit Day 1 Priorities	
✓ **New IT system for export certification.**	
✓ **Veterinary equivalence to be agreed between the EU and UK.**	
✓ **Confirmation that the EU will apply a 'regional' approach in the case of an animal disease outbreak in the UK.**	

✓ **Infrastructure requirements for customs and veterinary border formalities need to be evaluated and plans drawn up to ensure their provision.**	
✓ **Operational capability to issue and sign export certificates for exports to the EU.**	
✓ **Veterinary certification for the import of meat and meat products into the UK.**	
Post-Brexit Priorities	
✓ **Priority Free Trade Agreements as listed in paper (see pages 24-26). There must be consultation with industry on potential FTAs.**	
✓ **Government issued guidance on new trading arrangements and support to businesses**	
✓ **Establishment of a transparent consultation process with stakeholders post-Brexit**	

Introduction

Who we are

The International Meat Trade Association represents companies that provide a key role in sourcing and distributing product through importing and exporting beef, pork, lamb, poultrymeat and offal. Traders play a crucial role in matching supply and demand across the world. This is particularly important in a sector which disassembles its product and different cuts are favoured by different consumers across global markets. IMTA's UK based members have a combined turnover of more than four billion pounds, directly employ over 15,000 people in the UK and indirectly support employment in the wider UK economy in meat production, manufacturing, retail and food service. The meat sector is a highly competitive industry with slim margins (net profit before tax as a percentage of sales). Businesses, particularly SMEs, work on margins sometimes of less than one per cent and not often exceeding 5 per cent, therefore any additional costs impact on long term profitability. IMTA's membership includes associated sectors such as freight forwarding, shipping lines/ hauliers, trade organisations and cold storage. IMTA also has members based across Europe. IMTA is a member of the European Livestock and Meat Trades Union (UECBV) and has contacts with counterpart associations across the EU and worldwide.

Around 45% of meat and meat products consumed in the UK are imported into the UK and around 24% of British production is exported.

Imports are crucial in order to keep the nation fed but exports are equally important in order to maximize returns to UK producers through better carcase balance.

A careful balance is required to meet the needs of the consumer, to ensure the UK is food secure and that domestic production is sustainable and profitable. It is also essential to maintain flexibility of supply to allow for seasonal variations and adaptability in times of crisis. The crucial balancing act facilitated by the trader is not only linear import or export to and from the UK, but in all directions, distributing across Europe or exporting from other EU countries to countries around the world. An overview of the UK meat import and export trade can be found here and IMTA's publication on the Role of a Trader can be found here. This provides the background to the policy position outlined in this paper.

Purpose of the paper

IMTA attends the Defra Food and Drink Roundtables and welcomes the offer by Defra for the opportunity to discuss the potential impacts, opportunities and considerations for the food industry in light of Brexit. We are happy to provide the detail requested by Defra and the Department for International Trade to illustrate the unique challenges posed to specific sectors. Due in particular to the impact on this sector by substantial import tariffs, including quotas, its frequent consideration as a sensitive product in international trade talks and also the challenge posed in having to adapt production cycles of animals in the meat sector, we would argue that government needs to be particularly aware of considerations around the future trading situation for this sector.

We have had many very useful meetings with government already and welcome continued engagement across all departments especially Defra, FSA, DexEU, DIT, HMRC, BEIS and HM Treasury. Where we can offer assistance to government in deciding its policy direction, we will endeavour to do so through providing facts and figures and seeking the views of our members to equip government to make the best decisions for the industry. Our international networks could provide government with a readymade mechanism for discussions in this sector.

This second paper has been produced in consultation with our members to respond to government's request for detailed information about the potential implications, concerns and opportunities faced by the UK meat trade and forms IMTA's policy position on the UK's future trade policy. This is the first version of this paper which will evolve as the government makes available its negotiating position and events move forward. This paper will also aim to point out some of the practical considerations for government depending on the future trading arrangement the UK may have with the EU.

Businesses need to know in advance what the trade rules are in order to continue trading and invest for the future. The UK government must ensure that there are clear arrangements in place from day one post-Brexit.

The Importance of the EU to the meat trading sector

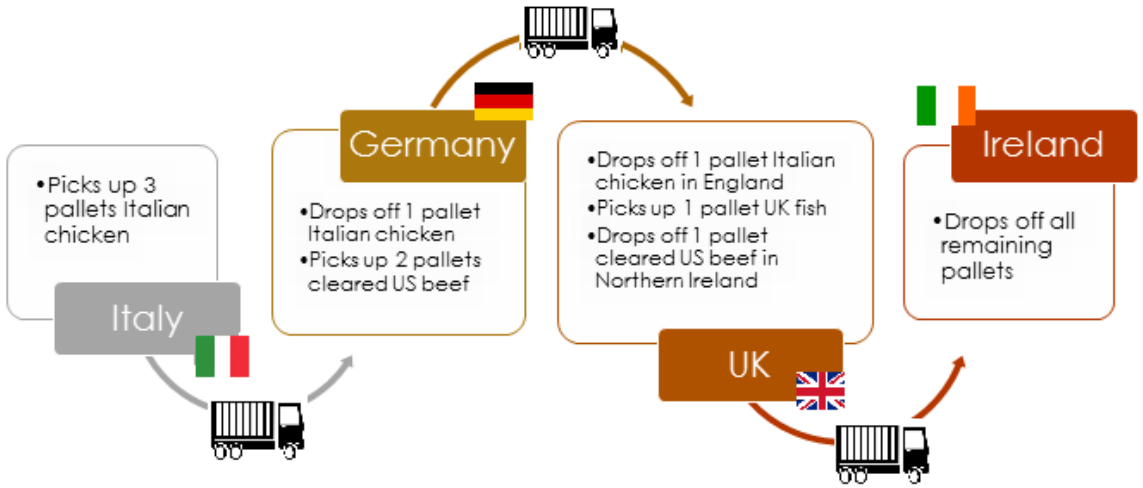
The meat sector, like much of the food and agricultural sector, has embraced the single market and is very much interlinked with it. The free movement of goods in the EU has facilitated the way that we eat today and careful consideration must be given to how this can be protected. We have a broad range of products available on supermarket shelves all year round.

Before the UK joined the European Economic Community (which became the EU) in 1973, the meat trade was predominantly in frozen product. This meant there was less pressure on delivery times. Product would be held in cold storage and taken out when required. The market has completely changed since then and whilst frozen is still important and has its place, trade today is largely a chilled trade with a much shorter shelf-life than frozen.

In the UK we have a 'just in time' food supply system. The absence of a customs or veterinary border check on product moving within the EU allows for the fluidity of trade that supplies our supermarket shelves.

A truck may collect Italian poultrymeat, drop one pallet off along the way in Germany and collect some US beef, then deliver a few pallets of Italian poultrymeat and US beef into the UK, pick up some UK fish and then head on to Northern Ireland and then the Republic of Ireland. Companies have managed their transport to maximise efficiency and are able to do so because there are currently no border checks.

Current Possible Journey of a Single Truck in the EU (No Border Checks)



Fresh poultrymeat has a 7 day shelf-life and if this became subject to border inspection checks it could be stopped and sampled as non-EU product is today (though non-EU imports are predominantly frozen so generally do not face the same shelf-life issue). This sampling may involve lab tests which can take several days thus causing a delay. With only a 7 day shelf-life for poultrymeat the product could be wasted, the company profit lost and supermarket shelves left without product.

Welsh lamb being exported to France could face the same obstacle. Traditional exporters such as Australia, New Zealand and South America ship beef and lamb around the world and with the increased consumer preference for chilled meat they have invested in research and innovation to extend product shelf life. By contrast British producers have generally supplied the domestic market and the rest of the EU, where there has been no need for an extended shelf life. Producers in Australia or New Zealand can achieve a shelf life for chilled beef of at least 20 weeks and for chilled lamb of up to 11 weeks – well in excess of what is achieved in the UK. This is predominantly

achieved through the use of vacuum packaging and the maintenance of strict temperature control throughout the supply chain, ensuring that the microbiological count is kept to a minimum.

In the UK our biggest manufacturing industry is the food industry. Inputs from outside the EU are currently taken and processed in the UK and then exported around the EU. Processing in the UK could be made more difficult post-Brexit due to the possible need for customs and veterinary checks at the border. As a result, this processing operations could be at risk of being transferred to another EU member state.

The Republic of Ireland has a particularly special relationship with the UK meat trade. Many of the UK plants supplying the supermarkets are Irish owned. In addition, the Republic of Ireland ships about 55 per cent of its meat exports to the UK. As well as the potentially huge implications for the Republic of Ireland from Brexit, it is already very concerned about the impact the weaker pound is having on its exports. The Irish beef sector is already feeling the effects of the devaluation of sterling. Analysis from IBEC (body representing Irish business) has shown that a 1% weakness in sterling causes a 0.7% drop in Irish agri-food exports to the UK. The analysis suggests that if sterling went further towards £0.90 against the euro it would translate to losses for Ireland of over €700 million in food exports and cost around 7,500 Irish jobs.

Objectives for UK trade policy

IMTA believes that these should be the guiding objectives for UK trade policy in the context of food in order to take advantage of the opportunities presented by Brexit:

Food Security	• To ensure food security for the UK. This means a strong domestic sector, imports and exports which improve producer returns.
Free Trade	• To promote free trade and as Theresa May suggests for the UK to become the 'global leader in free trade'. In order to do this agriculture must not be left out of negotiations as is often the case. Free trade should follow WTO principles. UK should align with international standards set by OIE, Codex Alimentarius etc.
Consumer Needs	• To serve the needs of the consumer including providing consumer choice. The consumer is not only the general public but also manufacturers and food service who use meat as an input for their business.
Flexibility	• To allow flexibility of supply (animal disease, climate change, growing population). • To provide a range of products, available all year round.
SMEs	• To make trade accessible for Small to Medium sized Enterprises both for import and export.
Competitive Agriculture	• To develop a competitive and efficient agricultural production system that can compete globally.

Government Priorities

Food must be top of the government's agenda when weighing up options for the UK's future trading policy with the EU and internationally. The UK's policy for the meat sector must allow for a variety of sources of supply. This enables the provision of a diverse range of products all year round and reduces the risk of shocks to the supply chain through climatic events, animal disease outbreaks etc. This must be protected by ensuring food is high up the agenda and recognising the importance of imported ingredients for processing and export markets available to allow growth in this sector.

Consultation

IMTA advocates that government should consult with the meat sector at the earliest possible opportunity to allow the industry to have time to reflect upon potential changes, put in place strategies to mitigate risks and take the best advantage of opportunities that may arise. The meat sector, both domestically and globally, needs certainty where possible and sufficient notice of any changes which could impact trade because adapting production systems takes time. The lifecycle for producing beef and lamb can take anything from one year up to four years, which does not include the time it takes to introduce new breeding animals into the flock or herd. These considerations make this sector particularly sensitive to rapid changes in trade flows. This sector needs to be consulted in relation to the UK's future trading relationship with the EU, the drawing up of the UK's WTO tariff schedule and also free trade negotiations with non-EU countries. IMTA and our members offer their experience and expertise to assist government in developing a more dynamic new trading framework which works better for consumers and business.

Business as Usual

Institutional uncertainty is a difficult factor for business to deal with. Commercial uncertainty and how an individual business copes is key to its long term success. Where politics is involved outcomes are more unpredictable and may not be based on industry needs. This therefore makes it difficult for businesses to plan and protect their future survival.
Whilst Brexit is being negotiated, the development of EU policy continues to be relevant with full commitment from government and industry. IMTA has made this clear to its European trade association. The UK government must continue to work to influence and shape EU policy whilst we are still members of the EU.

Contingency Planning

Seamless transition – day 1 of Brexit

- On day one of Brexit businesses need to be able to continue to trade in all directions. Following the triggering of Article 50, there is provision for a set negotiating period which if agreed unanimously by the 27 other member states can be extended. As far as possible industry wants a continuation of the existing trading relations with the EU meaning tariff free access without veterinary checks or customs clearances.
- The UK government has outlined its plans regarding the Great Repeal Act to essentially adopt all EU legislation from day 1 of Brexit. If this is what the government intends then the

government must ensure that this legislation is legally sound and that enforcement of it is consistent so that business can understand it and comply with it.

- Industry wants to continue to trade in the EU so UK government will need to find new ways to influence Brussels once outside the EU.

If there is no agreement after two years on the new trading arrangement and no extension granted to the UK there must be a contingency plan to allow as little disruption to trade as possible.

- If any changes to trading arrangements are to happen business needs forewarning in order to adapt. Businesses must know what the trade rules are. Contracts are agreed up to 18 months in advance, with government contracts sometimes longer and companies need to be able to honour them. The impact of investment decisions can take several years to come to fruition. An ill-defined 'transition period' would add to uncertainty for companies and third country suppliers.
- A contingency plan must be in place that ensures access to imported meat from the EU and non-EU countries in the event that the two year period expires with no agreement. For EU supplies IMTA proposes the establishment of erga omnes (open to all countries) quotas for the specific meats reflecting historic trade volumes. A similar course of action would be needed for non-EU supplies if no WTO schedule has been agreed during that two year period. It is possible that this would allow UK businesses continued access to imported product and could fulfil the UK's obligations under the WTO and help to avoid complex, lengthy, trade disruptive negotiations at the WTO.
- On exports to the EU, this would be dependent on the EU setting an autonomous quota for UK (and all other origin) product.

If the EU did not put anything in place for UK exports to the EU there are only very limited 'erga omnes' quotas which the UK could compete with other supplying countries to use.

Quotas which the UK may be able to access for export to the EU post-Brexit

Species	2015 UK to EU Exports (tonnes)	Total Volume of Erga Omnes Quota for World Export to EU (tonnes)	Duty on Erga Omnes Quotas
Beef	98,107	165,703	Ranges from 0% to more than 20%
Sheepmeat	75,170	200	0%
Poultry	272,782	53,760	Varies considerably from 0% to 15.4% to 630€/tonne
Pigmeat	162,593	77,630	Ranges from 0% to 747€/tonne

The UK government should therefore put more resources into opening non-EU markets now in order to mitigate the risk that UK exports to the EU are effectively stopped.

- This is already work undertaken by Defra and it would lay the groundwork for any future Free Trade Agreements negotiated by the UK. The contingency plan should also ensure that all export certification to non-EU countries is valid from day 1 of Brexit.

Markets the UK should focus on getting veterinary approval for exports

Market	Products
China (number one priority market for access)	Poultrymeat, beef & lamb
Japan	Poultrymeat (cooked and raw), beef
Vietnam	Beef, pork, lamb & poultrymeat
US	Lamb
Taiwan	Pork

- If Defra have more resource to complete questionnaires, facilitate inward inspections and build relationships in other countries (like posting agri-food counsellors such as Karen Morgan in key markets) this will assist the UK's market access progress. FSA and APHA must also be given adequate resourcing to support this work. FSA plays a key role in providing veterinarians for inward inspection visits and does not currently have sufficient resources to do so.
- As well as tariff considerations for day 1 of Brexit if the UK was effectively a third country to the EU, meat exports to the EU would face veterinary checks as other third country suppliers to the EU currently do. Customs clearances could also be required for UK product entering the EU. The need for UK product to enter through a BIP could pose challenges to existing transport routes, example Calais, which currently has no border inspection for meat. If overnight in the UK all EU meat suddenly became subject to customs clearances (all other products would also be affected) and veterinary checks, our current infrastructure would not be able to cope. Infrastructure requirements are dealt with in more detail later in this paper (see pages 35-36).
- As a precautionary measure the UK should have a veterinary certificate for EU product (and non-EU product) agreed based on the EU model certificate in case it would be required for day one of exit. If certificates for non-EU products were to change then supplying countries would need notification of any changes and a transitional period where the EU certificate would continue to be accepted and until the UK certificate came into place.

Trade Policy

EU Market Access

IMTA's first preference would be for continuation of duty free access, with no requirement for veterinary certification and no requirement for customs clearances between the UK and the EU. The UK meat trade is closely intertwined with the EU market. The ability for this business to continue for both import and export is fundamental.

The UK exports around 650,000 tonnes of meat to other EU countries and imports around 1.6 million tonnes. Basing calculations on current costs of port clearance for non-EU imports, imposing such checks on EU trade could add around £300 to £350 of costs per 40 foot container, before taking into account any imposed duties or possible demurrage costs if delayed. This would mean extra logistics costs on our sector of a minimum of £30 million. Even before duties, our exports would face a similar level of additional costs in the other direction.

If the UK applied the EU schedule of duties to imported product from the EU, the cost of imported meat would increase by an average of 42 per cent and raise the price of our exports to the EU on average by 55 percent, making both directions of trade completely uneconomic without some form of concessionary duties.

Export Policy

Whilst IMTA recognises the opportunity for the UK to pursue its own Free Trade Agreements, the economic sustainability of the British livestock sector requires the maintenance of its access to other EU markets, where a substantial proportion of its key customers lie. The EU accounts for over 75 per cent of UK meat exports, thus it is unrealistic to expect that this meat can be immediately diverted to global markets. In many areas the product exported to the EU is high value and therefore finding alternative markets may not be that easy. If this product remained in the UK it would only serve to weaken returns to farmers as the products we import are not the same ones we export. Future opportunities will be available for our exports to non-EU countries but any Free Trade Agreements must be combined or even preceded by veterinary agreements. A Free Trade Agreement with a country like China including a veterinary agreement would be a huge win for UK exporters. Unlike other, less regulated, sectors this determines whether trade can take place.

Whilst the UK is unable to engage in official trade negotiations with third countries Defra could build on existing market access work to get veterinary approval for UK meat exports to other markets.

For exports the UK relies heavily on particular markets and Defra must not only ensure continued market access for UK meat exports to current export markets but also to ensuring that new markets are opened up. This would enhance the resilience of the export sector and maintain returns for domestic producers.

If the UK is to become more engaged with the global market, government should consider reviewing current EU legislation with a view to improving the efficiency and competitiveness of the UK farming

and meat processing sector. However, any contemplated changes should not jeopardise access to major global markets.

IMTA commits to provide support to government where possible to assist in opening new export markets for beef, lamb, pork and poultrymeat. IMTA is a member of the UK Export Certification Partnership (UKECP) for Red Meat and Poultry Export Certification User Group (ECUG). IMTA can assist government in providing business cases for potential markets.

Export to EU

If the UK will be required to have export health certificates in place for UK exports to the EU from day one, APHA's systems must be ready with the certificate loaded (based on the EU model certificates which are used for all EU imports. See EU Regulation 206/2010 for red meat and EU Regulation 798/2008 for poultrymeat). Signing vets and traders must have advance warning of the new requirement. It is crucial also that sufficient veterinary capability is in place to sign the certificates.

Many exporters to the EU may not have ever dealt with export health certificates (EHCs) as they have strictly only been involved in intra-community trading and will therefore need guidance and support in order to adapt their processes, train staff etc. Businesses will need to be able to plan for the added costs of veterinary checks and adapting of processes.

If the UK is outside the single market and free to do its own Free Trade Agreements, it is hard to see how we can avoid customs checks entering the EU. If possible a special customs arrangement should be sought.

Recognising veterinary equivalence would be of benefit to both the EU and UK so should be technically straightforward.

Export to non-EU

Whilst the UK is still a member of the EU, government must reassure trading partners that regulation applied is the same in the UK as in the EU. We wish to avoid re-audits or reopening of market access negotiations.

Whatever deal is agreed it is essential that there is a smooth transition and that trade partners are reassured that UK product will continue to meet the standards of that market.

One of the biggest concerns for UK exporters is that export health certificates continue to be eligible from day 1 of exit. All export health certificates must be checked and any references to EU legislation dealt with in the most effective way to allow certificates to continue to be usable.

The EU healthmark is another crucial consideration. Will the UK be able to continue to use this mark indefinitely or for a set period after exit for product going to the EU and non-EU countries? If the EU does not allow the UK to continue to use it then a transitional period should be agreed during the two year article 50 negotiations. Industry needs advanced warning to change packaging and factor in costs of changes. Non-EU countries must also be made aware of the new UK mark.

UK product has the EU healthmark which has been used for many years and is recognised internationally not only by governments but consumers across the world. In China the wholesalers very much relate to the plant number, contained within the healthmark, rather than necessarily the company name.

A study about European Food Authenticity and Chinese Consumers found that Chinese consumers identify EU product with high safety and integrity, rather than product from specific member states. The government must ensure that sufficient effort is put into promoting any new UK healthmark and the associated UK product.

Consumer studies should be undertaken in market to assess the impacts of 'The Great British' campaign.

The role of The Great British Food Unit will become even more important in ensuring positive consumer perceptions of UK product.

The UK should accelerate work towards use of electronic certification as this would streamline processes for exporters.

Keeping the benefits of EU international agreements

There are several particular considerations that must be factored for specific markets where there is an existing EU Free Trade Agreement or other agreement. South Africa and South Korea are significant export markets for the UK.

 South Africa:

South Africa currently recognises the EU as having veterinary equivalence. It is the UK's biggest non-EU export market for poultrymeat, accounting for 26 per cent of UK exports to non-EU countries. Thus it is crucial that the UK continues to be recognised as equivalent. Similarly, under the EU-South Africa Trade, Development and Cooperation agreement the EU benefits from zero duty access for poultrymeat to South Africa.

 South Korea:

Under the EU-South Korea Free Trade Agreement, which took effect in July 2011, the EU benefits from preferential tariff access. Five years into the deal certain EU pork exports were granted duty free access while a 10 year transition is foreseen for frozen pork belly which is the most sensitive product. In 2015 the UK exported 2,313 tonnes of meat and offal, including 710 tonnes of pigmeat and 1,369 of offal, to South Korea. UK poultrymeat may also be exported but shipments have been disrupted in recent years with the outbreaks of avian influenza as South Korea is another country which to date has not recognised regionalisation.


Canada:

Though not as high a priority as South Africa and South Korea, the opportunity for UK exporters of meat other than poultrymeat to access the Canadian market at unlimited volume for zero duty under the EU Free Trade Agreement could become a useful additional export market. If it is possible to replicate the terms of the EU-Canada agreement, then UK exporters would support this.


Japan:

The EU is close to an agreement with Japan but the details on what the agreement on meat will be are not known. There could be potential tariff reductions/ benefits to all meats under such a deal. The UK is seeking veterinary access for beef and poutlrymeat and wouldn't want to lose competitive advantage to the EU countries if it's not able to grandfather the deal.

Import Policy

Access to the EU market needs to be maintained whilst taking the opportunity to develop a more relevant import policy with other global partners.

There have already been suggestions in the farming sector about the need for the UK to become more 'self-sufficient'. IMTA advocates for a strong domestic farming sector which is efficient and globally competitive. However, we would argue against 'self-sufficiency' as a policy as it does not serve the consumer and does not allow for flexibility of supply. The argument that self-sufficiency protects against global shocks such as failed harvests, animal disease outbreaks or extreme weather events can equally be seen the opposite way. UK domestic production is also susceptible to these shocks and so multiple sources of supply both domestic and imported reduce this risk. Self-sufficiency would require consumers in the UK to eat all parts of the animal and changing consumer habits established over decades will be a big challenge. Until consumers can be persuaded to value chicken gizzards as highly as chicken breasts, the UK must import the deficit of chicken breasts while exporting the gizzards, adding value to the UK producer and avoiding waste.

Self-sufficiency as a policy does not serve the consumer.

The UK needs flexibility to source both from domestic production and imported sources. A careful balance must be found whilst keeping options open. We need continued access to imported sources to avoid cost inflation which would need to be passed on to the consumer.

The supply of imported meat onto the UK market is vital, whilst ensuring that we develop a sustainable British livestock sector which has increasing opportunities to get a better return for their product through new export markets. Because of the nature of the meat sector needing to balance the carcase through import and export, the level of imports coming into the UK historically needs to be at least maintained and the import business UK companies do in other member states must be safeguarded. See IMTA paper on the benefits of imports for further detail on why imports are vital.

Currently for imports on the whole it is only economically viable to import meat into the EU under reduced or zero duty access (see page 6 of overview paper). Disease risk, climate change and extreme weather events both at home and abroad mean a variety of sources of supply are required to ensure the balancing of this sector and continued access by consumers to valuable sources of protein. The UK must ensure that it continues to be viable to import from existing origins.

IMTA supports the WTO approach of erga omnes rather than specific country quotas as the former allows business more flexibility and the ability to adjust to market developments. However, we recognise that there are WTO commitments regarding existing quotas.

Import from EU

1) **Single Market:** In terms of access to EU supplies IMTA's first preference would be continued access to the single market at zero duty, unrestricted volume access, no border checks and no customs formalities.

2) **Free Trade Agreement:** If access to the single market absolutely cannot be achieved, our second preference (in order of priority) would be a Free Trade Agreement with the EU whereby either
   a) Unlimited duty free access for EU imports (and UK exports)
   b) Limited duty free access for EU imports under a quota based on historic trade volumes.

   In this situation there would also need to be customs borders and rules of origin would apply in certain instances.

3) **Erga Omnes Quota:** If the above options are not achievable (e.g. no trading arrangement agreed with the EU), we would advocate as a third preference:
   The UK should set an autonomous erga omnes quota based on historic EU trade volumes to the UK at zero duty. Under WTO rules outside of a Free Trade Agreement the UK would not be allowed to give preferential treatment to the EU unless the EU is entitled to compensation. Therefore, any other meat supplying country with veterinary approval would also be eligible for this quota. This could completely change the imported meat landscape. Currently the Republic of Ireland supplies 205,000 tonnes of beef and beef products to the UK market, but other non-EU countries would be able to supply more if they had larger quotas and so would take advantage of this erga omnes access.

In this situation there would also likely be borders and veterinary and customs check between the EU and the UK.

Import from non-EU

Import Tariff Schedule & Quotas

IMTA's agreed overall red line is that the UK needs at least equivalent (e.g. duty rate equivalent) volume access to imports from non-EU countries, with whom the UK has had long standing preferential relationships going back to before the UK joined the EU. These countries have the ability to provide quality product at equivalent standards.

We understand that the UK will need its own WTO Schedule which includes its bound duty commitments and quota commitments. Under WTO rules, the UK cannot make market access worse for any WTO member unless compensation is given. (Compensation does not necessarily have to be in the same sector/commodity). However, the UK government has expressed its aim of becoming more engaged with the global market which would provide an opportunity to move towards a less restrictive and more flexible import policy.

The UK could choose to adopt the EU WTO schedule. There are divergent views about how this might be done. There are some who view this as a **splitting** of quotas based on criteria such as historical trade. However, there is another view that if the UK adopts the EU schedule that it adopts it in its entirety. For example one of the EU's current commitments is for 53,000 tonnes of GATT quota at 20% duty. In this scenario the EU would keep its 53,000 tonne commitment but the UK would **mirror** that commitment for 53,000 tonnes of GATT quota.

Splitting of quotas is problematic for several reasons:

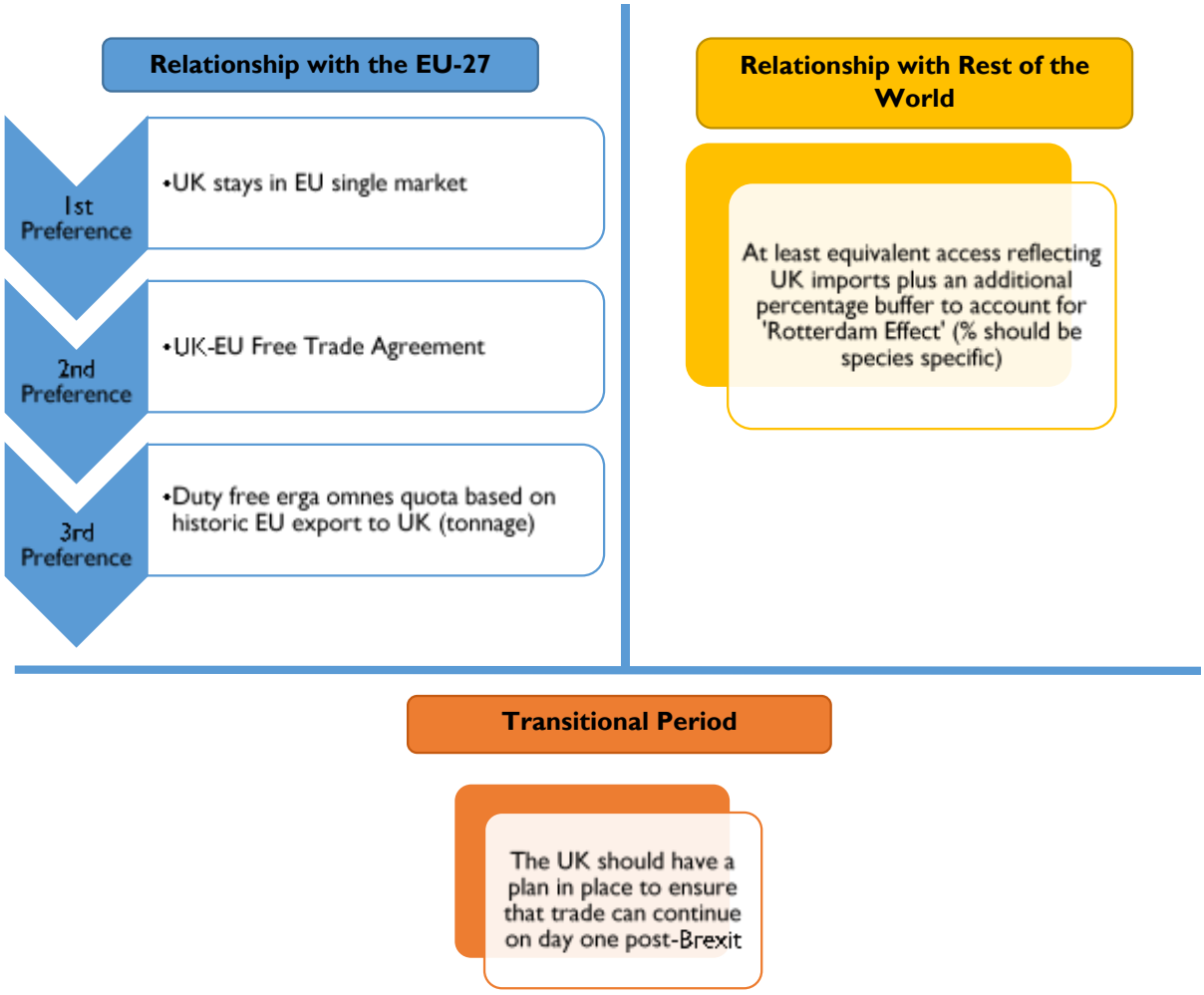
- Trade statistics are not reliable when intra-Community trade is concerned and would therefore not provide a fair base for splitting the quotas only on this criterion. The 'Rotterdam effect' whereby non-EU imports are customs cleared in another EU member state and then transported to customers in the UK makes it impossible to determine the real historical trade flows of meat into the UK. The extent that the 'Rotterdam Effect' plays a role differs between the meat types:
    - **Pork**: Less than 1,000 tonnes of product comes to the UK from outside the EU. However, it must be noted that for all quotas there is an agreed commitment to other WTO members to allow that quantity of product. Countries such as Brazil that are currently not veterinary approved to export to the EU would not want to see this quota removed as they may one day be able to export.
    - **Sheepmeat**: The UK is the biggest consumer of sheepmeat in the EU taking between 40 and 60 per cent of the total volume of New Zealand's exports to the EU. This product is almost entirely shipped direct to the UK. Australian lamb on the other hand may come in through Rotterdam and go to different markets including the UK.
    - **Beef**: this is particularly difficult to determine due to the 'Rotterdam effect' where a container with 16+ different beef cuts is customs cleared and then some cuts will go to customers in the UK and the rest to customers EU wide.

- **Poultrymeat**: Similar to beef, this is difficult to determine as a great deal of poultrymeat is imported into Rotterdam for distribution across the EU. Salted chicken is probably the only type of poultrymeat that we could confidently say was of non-EU origin when shown as imported from another EU member state on Eurostat. (If UK does take any form of share of the salted quota we would ask that this be converted to fresh, chilled, frozen poultrymeat at the salted in quota duty rate. This demand for salted does not arise from product preference but purely as a result of a WTO dispute between Brazil and the EU about tariff classification.) There are huge problems with the administration of poultry quotas under the EU system with many being oversubscribed. These problems are the natural result of the very restricted volume of EU poultry quotas.

- When assessing the quota access the UK should have, each meat type must be treated separately and the characteristics of the trade for each considered carefully. IMTA can provide assistance in better understanding trade flows to allow government to make these assessments.
- In splitting the quotas non-EU supplying countries would not have the same flexibility as they currently do to send product to the UK and other member states and therefore arguably their market access would be diminished. For example, today a supplying country has the option to send their entire quota share to the UK market or they could send it to any member state.
- The EU has maintained a very restrictive access regime for meat limiting consumer choice and flexibility of supply, this is an opportunity for the UK to adopt a more forward thinking, progressive approach to trade. The rigidity of the EU system with quotas left mainly unaltered since the 1970s has meant it has been unable to review quotas and vary them based on market needs. This is the opportunity for the UK system to be more responsive to changing circumstances.

Intra-EU trade statistics do not distinguish between EU and non-EU origin.

- Any arrangement must be satisfactory to the non-EU supplying countries. IMTA is well-placed to talk to counterparts in non-EU countries to discuss what would be acceptable. We have well established links in many of the key meat supplying countries.
- The UK must ensure its import access arrangements are acceptable to other WTO members to avoid complex, drawn out negotiations.



Africa, the Caribbean and the Pacific Countries

Namibia and Botswana currently have unlimited, duty free access for beef imported into the EU under the EU South African Development Community Economic Partnership Agreement. Being members of the Commonwealth, the UK government must ensure that the same import access for these countries is maintained. Commonwealth countries enjoyed UK granted preferential rates prior to our EU membership. Zimbabwe has supplied beef to the UK in the past and although it is currently not a member of the Commonwealth it should not be ruled out that a similar trade relationship be made available.

Generalised System of Preferences

Although there are no meat concessions under the current EU GSP arrangements, some IMTA members also import fish. IMTA therefore supports some provision for allowing GSP access for fish imports post-Brexit.

Quota administration

The current EU import regime is a very complicated combination of different import quotas (see annex 2). The quota system was set up in the 1970's and in many instances is no longer fit for purpose. The market has changed since then and Brexit provides the UK with an opportunity to modernise its quota systems.

By imposing quotas (rather than free access which allows the market to decide) management issues arise as a direct, inevitable consequence of restricting the quantity of imports. Therefore, although recognising that by default of having quotas that there will be some management challenges posed, a set of principles should be followed as a guide to minimise these as far as possible.

When the UK is deciding on how it will administer its import quotas the following key principles must be considered:

Principles:

- The management system should be designed to fit the characteristics of each individual quota. One size does not fit all.
- Remove as much paper handling as possible and use electronic systems.
- Simplicity and flexibility.
- Less bureaucracy.
- Quota regime as efficient and cost effective as possible.
- Allows business to plan.
- Must allow for newcomers and growth of businesses.
- Could be simplified by having general groups of eligible products e.g. 0207 rather than stipulating particular CN codes, subject to WTO commitments.

There are a variety of methods of quota administration:

Administration Type	Description	Pros/Cons
Country Specific First Come First Served	This is where a quota system is first come first served but on a country specific basis. The supplying country will need to provide proof of origin and the exporter must pass this on to the importer. Essentially the quota is managed in the supplying country.	Works very well for sheepmeat quotas but some concerns about giving too much control to supplying country.
Erga omnes First Come First Served	This is where you have a quota open to multiple countries and supplying country is free to send until the quota is filled.	A problem if oversubscribed. The quota could be filled within the first part of the quota period by one company which would disadvantage SMEs. The uncertainty over whether you will be able to import at reduced duty makes it hard to plan your business. E.g. will I be able to honour contracts with customers? **The majority of IMTA members are strongly opposed to erga omnes FCFS.**
Licence System	This works by the importer requesting licenses for the quantity that they plan to import. If total requests exceed the available quota quantity, a pro-rata reduction is applied.	Can lead to a proliferation of 'new' companies each seeking quota because any single company will be cut back on its application.
Historical	Allocation of quota is based on previous imports in a specific reference year.	Difficult for newcomers.
Auction	The right to import at the in-quota tariff is auctioned.	Potential to disadvantage SMEs.
Applied Tariffs	This is not technically a quota system. A country's WTO Schedule sets out the bound rate of duty. The applied rate cannot be higher than the bound rate. A country can decide upon a lower tariff for any product and can review this on a periodic basis.	The potential for applied tariffs to change or set at the same rate as the bound duty would make it very difficult for supplying countries which have specific production cycles and these take time to adapt.

The WTO has several principles for good quota administration systems and these should be borne in mind when designing the UK system.

Article XIII of the GATT, "non-discriminator administration of quantitative restrictions" governs tariff quota administration. GATT advocates two key criteria to judge this by:

1) Quota fill
2) Distribution of trade

Article XIII states that "in applying import restrictions to any product, contracting parties shall aim at a distribution of trade in such product approaching as closely as possible the shares which the various contracting parties might be expected to obtain in the absence of such restrictions". Asserting that trade shares should be determined by the relative efficiency of suppliers, rather than by alternative discriminatory criteria.

As the trade association representing importers with experience of different quota administration methods IMTA must be consulted when the UK devises its own system.

Performance issues relating to current EU quotas

There are IMTA members starting to ask questions about their import performance. Currently under certain EU quotas you import an amount of product and that gives you an allocation of the quota for the next quota year. However, with the uncertainty of the future UK trading arrangements, companies are asking whether they should start importing into other member states to build their performance there or whether they might still need it under the future UK import quota system. Our companies still want to be able to supply their customers in the EU no matter what the EU-UK relationship looks like in the future. It would be helpful if government could provide clarity on this issue as soon as possible as what companies choose to do now could impact their business significantly in a few years time.

Priority Free Trade Agreements

Free Trade Agreements could provide opportunities for bespoke deals to the benefit of both UK importers and exporters.

 China:

We appreciate the commitment UK Ministers have given to improving our relations with this major global market. Market access to China is even more crucial in light of Brexit. This is the number one priority market for our exporting members.

For export, our members would like the UK government to prioritise a Free Trade Agreement with China to build upon our golden era of relations.

Some veterinary market access has been achieved for pork, but there remains a long wish-list. Veterinary approval for UK meat must ideally be agreed as soon as possible for poultrymeat, beef and lamb, but at the latest as part of the negotiations. Although reductions in tariff barriers are

helpful, trade in this sector is constrained by veterinary requirements which must come first. China is a market of interest for all meat exports.

Our importers would also like to see better quota access for Chinese poultrymeat exporters as they were disadvantaged by the EU when it set the 616/2007 quotas by using a reference year where China was unable to supply the EU. This resulted in China only being able to access these quotas through the minimal erga omnes tonnages. IMTA believes that Free Trade Agreements are best negotiated recognising the comparative advantage for both partners.

Mercosur:

IMTA importers would be interested in an agreement with Mercosur countries which can produce product of consistent specification and in sufficient volumes for the UK catering sector. There are concerns from domestic producers about Brazil's production capacity but some of this is down to misconceptions believing that 'Free Trade Agreements' means full liberalisation. Quotas can be agreed which provide opportunities for flexibility in supply but which also provide protection to UK domestic producers.


New Zealand:

Importers would be interested in an increase to New Zealand's beef access and continued recognition of veterinary equivalence.


Australia:

Importers would be interested in an agreement which strengthened market access for sheepmeat and beef. UK exporters would welcome more flexible veterinary access for pork exports. Mutual recognition of veterinary rules leading to reduced checks for both parties would be welcome.


South Africa:

UK exporters currently benefit in principle from duty free access and veterinary equivalence with South Africa. South Africa is a crucial export market for our poultrymeat sector. However in recent times exports have been disrupted by safeguard and anti-dumping measures, along with South Africa's refusal to recognise regionalisation in the event of avian influenza outbreaks. A Free Trade Agreement with South Africa is a priority and should also aim to resolve the disturbances mentioned above.

 South Korea:

UK exporters currently benefit from duty free access and veterinary equivalence with South Korea. South Korea is a crucial export market for our poultrymeat and pork sectors and it must therefore be a priority to replicate this preferential treatment for the UK as has been agreed by the EU.

 Namibia &  Botswana:

Currently part of the ACP agreement and have unlimited duty free access to the EU market. It is a priority that this is replicated for the UK as the majority of product comes to the UK market.

 Thailand

Thailand is of interest from both an import and export perspective. Import for poultrymeat and export for red meat.

Japan, the Philippines, Vietnam, Ghana and Ukraine were also mentioned as of interest for Free Trade Agreements in the meat sector. Japan, the Philippines, Vietnam and Ghana are all of interest from an export perspective. For Ukraine there is an export and an import interest.

In any Free Trade Agreement the UK enters into veterinary approval for UK products must either precede the agreement or be part of it. Veterinary market access is already within the UK's competency and offers a great opportunity to lay the groundwork for Free Trade Agreements which would benefit the meat sector.

When the UK government enters into discussions with other countries around Free Trade Agreements, IMTA would want to be involved. We can provide import and export interests from our membership, details of which cuts and what level of liberalisation the industry would be looking for, what meat species would be of interest. We have excellent contacts with other country associations and would be able to help facilitate dialogue between the UK and other country industry to assist the discussions. Many IMTA members have offices around the world and can therefore be influential on both sides of a Free Trade Agreement.

International situation

The UK must be conscious of the wider global contexts such as President Donald Trump's suggestion that he will dismantle the North American Free Trade Agreement (NAFTA). If he follows through with this the WTO will be engaged on this as well as on Brexit and so resources will be further stretched.

Special Issues

UK companies' business activities in the rest of the EU need to be safeguarded.

Cross-trade – trading routes, product journeys

IMTA members have fully embraced the single market and are involved in different kinds of trade based on access to the single market, but the income is returned to the UK based company. They need to be able to continue to:

- Export from other member states.
- Import into another member state and distribute across the EU and into the UK e.g. Rotterdam, Hamburg, Antwerp.
- Take EU product, process in the UK and re-export to the EU.
- Import non-EU product, to process in the UK to export to the EU.

Exporting from other Member States

- Many export health certificates allow for 'product from other EU approved sources' to be exported to certain markets. The UK must find a way for this trade to continue or risk losing this profit to EU based businesses, impacting the UK economy and jobs. UK traders currently have the flexibility to work with UK and other EU slaughterhouses to buy product for export. If the UK becomes a third country post EU exit, under the EU Union Customs Code the exporter must be based in the EU. In order to carry on this business post Brexit these companies will likely have to set up an office in the EU which will mean lost revenue for the UK. If they decide not to set up an office in the EU this business will be lost altogether to other EU traders. Further information on the definition of an exporter under the Union Customs Code can be found here.
- IMTA would like to see UK government provide support for these types of companies so that they can continue to participate in this type of trade and maximise returns to the UK economy.

Distribution across the EU

UK traders will have customers across the EU which they have invested time in building good relationships with and therefore the UK trade may buy non-EU product and distribute across the EU to a range of customers.

Manufacturing inputs

The UK food manufacturing sector, the UK's biggest manufacturing sector, benefits from existing flexibility of the single market to purchase raw materials at the best price to process and distribute finished products within the EU. It would be extremely restrictive if they were unable to continue to do so post-Brexit. Currently, manufacturers can take UK, other EU or non-EU product and process this for distribution throughout the EU. If in the future there are additional barriers such as duties and border checks for EU product entering the UK the cost of inputs will rise. We may even see food manufacturers moving to EU premises where there will not be barriers. Currently non-EU product imported either into the UK or the rest of the EU can be used anywhere in the EU for manufacturing. In future if this product came into Rotterdam and a UK based manufacturer wanted to buy part of a container of product that had been customs cleared in Rotterdam they may face

another border check and the product may need to pay duty again to come to the UK. Border checks add costs and potential for delays and reduces the flexibility manufacturers need to buy product from different sources. If the manufacturer then wanted to export their finished product to the EU, it would again face border checks and possibly duty. (E.g. if exporting bacon to the EU this would face 869€/tonne entering the EU).

Rules of Origin could also come into play if a Free Trade Agreement is in place between the EU and UK. Goods typically need to contain 60% local value added to be eligible for preference under a Free Trade Agreement. So again this would restrict flexibility for using non-EU imports. If Rules of Origin are required they should be as flexible as possible.

Trade flows/ Product journeys

Consolidation of loads was not around in the same way as it is now before the UK joined the EU. Previously, frozen product could be put in store until it was required. Product availability and movements were vastly different before the UK joined the EU.

If customs clearances and veterinary checks are required for product moving between the EU and UK, this poses significant challenges for the meat sector. Below we outline some examples of trade flows/ product journeys that are currently possible and easy with the single market set up. Arrangements must be in place from day one of Brexit to allow these product journeys to continue at minimal additional cost or delay.

The free movement of goods has facilitated the way we eat today. There are few seasonal constraints on food. A much more diverse range of products is offered in supermarkets today, all year round, both chilled and frozen. The UK's just in time supply chain provides the consumer with a much better choice of products. The Republic of Ireland supplies much of the meat in UK retail and is already feeling the effects of the devaluation of the pound.

Intra-EU Product Journeys

'Groupage' is used for transport across the EU. The transport company aims to minimise costs by multiple pickups and drop offs of product owned by multiple companies at different points in the EU.

For example:

A truck will arrive at a factory to collect the below products. On the route from the UK it will leave with 20 pallets of frozen pork legs destined for further processing in Poland.

The haulier will then contact customers asking for any collections on the return journey.

This could result in the truck travelling to other coldstores around Europe as well as manufacturing sites.

- UK out to Poland – 20 Pallets of frozen Pork Legs, 2-3 day trip

Return trip:

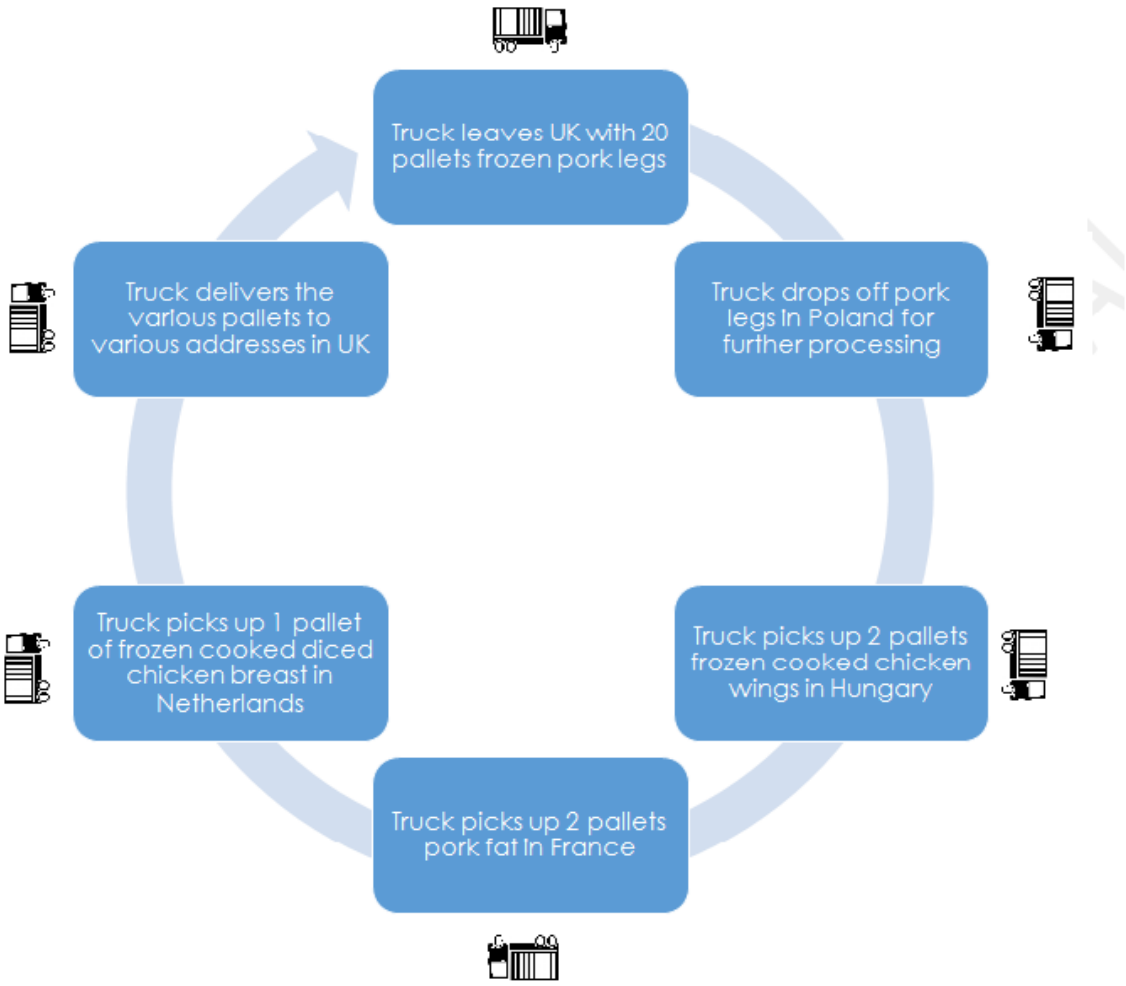
- 2 Pallets of frozen cooked chicken wings, (Poland)
- 3 pallets of raw marinated flattened chicken breast made up of 1) Garlic, 2) Tumbled and brined chicken breast, 3) spicy Mexican seasoned fillets, (Bulgaria)
- 2 shrink wrapped, naked pallets of pork fat, (France)
- 4 pallets of frozen boneless pork loins, (France)

- 6 pallets of block frozen beef trim, (Germany)
- 1 pallet of frozen cooked diced chicken breast, (Netherlands)

On arrival in the UK the truck would be assigned a number of delivery addresses for the various pallets to be dropped off and repeat the process.

Groupage has enabled an efficient transport system to develop across the EU to the benefit particularly of SMEs.

Simplified example of groupage – the journey of one truck from the UK to Poland and back



The product in the refrigerated vehicle could also include other foods such as fish. It could also pick up non-EU origin product that has cleared into free circulation. If veterinary certification is required to enter the UK such shipments would require a plethora of certificates and extended delays as the UK veterinary services checked the product.

Careful consideration must be given to the impacts of having border inspection posts and customs clearance requirements for these sorts of product journeys. Would groupage still be possible if the UK is a third country? Currently non-EU imports arrive in a container which has a seal. The vet checks this seal has not been broken. Would the UK only be able to receive full container loads with a seal? If so this would severely disadvantage SMEs who buy a few pallets and use groupage to minimise their costs.

It would be in the interests of both the UK and the EU to have a veterinary equivalence agreement. This would enable the same reduced frequency of checks as New Zealand imports to the EU currently enjoy. This would mean UK meat exports to the EU would be subject to a documentary and identity check but only a 1 per cent physical check (compared with the normal 20 per cent for red meat and 50 per cent for poultrymeat), as well as a lower charge for the checks.

Where groupage currently permits non-EU cleared product to be carried with EU product would a non-manipulation certificate be required for the product? Non-manipulation certificates can be issued by vets at port or a cold store but this is another additional cost. Would export health certificates need to accompany all consignments within a groupage load (if groupage is still feasible)?

Republic of Ireland to Northern Ireland to the mainland UK to France is a popular transport route with multiple pick up and drop off points along the way. How could this be done for loads of meat?

Groupage reduces vehicle emissions and many transport companies have worked hard to maximise efficiency by using multiple pick up and drop offs in one journey. Less flexibility in using groupage will add costs which will need to be passed on to the consumer. Additional costs will particularly hit the SMEs who use groupage.

If there were veterinary checks between the EU and UK there is the potential for delays meaning shelf-life of fresh product is lost. Delays can occur if paperwork is completed incorrectly or if sampling of product is undertaken. Fresh poultrymeat has only a 7 day shelf-life so any delay for any reason would mean contracts are not met, product is wasted and company profits lost. For example raw chicken is subject to testing for salmonella. Such testing now generally takes 6 to 7 days which would be unworkable if the container was detained until the results were known. Any missing paperwork would also increase delays.

Imported Product – EU Distribution

Large companies can import full containers from outside the EU and move full trucks across the EU for a single customer but smaller companies often split a container across different customers across the EU.

Imported containers can contain 20 different cuts with different specifications for many different customers in different member states. e.g.

Packing List

1. *Topside*
2. *Rump*
3. *Ribeye Spec a*
4. *Ribeye Spec b*
5. *Flank Spec a*
6. *Flank Spec d*
7. *Striploin Spec a*
8. *Striploin Spec g*
9. *Ribeye Cap steak*
10. *Flatiron steak*
11. *Eyeround*
12. *Defatted eyeround*
13. *LMC (Leg of Mutton Cut/thick rib)*

The AHDB beef cutting guide will provide a flavour of the extensive choice of cuts for beef which could form a full container of imported beef.

If veterinary checks and customs clearances were required between the EU and UK this would make importing into Rotterdam (or another EU port) as a distribution point much more challenging. UK based companies may need to consider opening an office in the EU as they will need to be established in the EU in order to import into the EU. For any product from the container that was to be moved across to the UK it would need to travel under customs bond so that duty was only paid upon customs clearance into the UK. Presumably if the container is being split and distributed across the EU then the vet at Rotterdam would need to provide a non-manipulation certificate for any product travelling on to the UK. This would then need to be verified by the UK port health vets.

Regulatory Policy

Any future UK regulatory policy must align itself with globally recognised standards such as OIE and Codex Alimentarius. The UK's regulatory policy should be science, risk based and proportional.

Exports

IMTA is conscious of the risk of deviating from EU legislation which could threaten UK exports. If countries see divergence they could claim that UK exports no longer meet their standards. This applies both to the EU and third countries. IMTA would advocate for hygiene and official controls

legislation which mirrors the current EU requirements to avoid unnecessary disruption to trade. There may be areas that could be tweaked but where this could pose any threat to continued market access, trading partners should be consulted for their views.

If the UK stops applying new EU legislation the UK will need a mechanism to continue to influence EU regulation once outside the EU, as historically the EU is a key export market for UK meat. In order to continue exporting there, the UK industry will still need to comply with EU regulations.

The UK should seek recognition of equivalent standards with countries such as South Africa and South Korea. Equivalent standards should not be prescriptive but instead outcomes driven.

The UK should include recognition of regionalisation for disease outbreaks (thus following OIE standards) in any Free Trade Agreement negotiations.

On exports the UK is still hampered in its efforts to export beef to certain countries due to BSE.

Imports

Business relationships have been established over a long period of time between non-EU establishments and traders in the UK. The UK cannot change conditions under which the UK can import products, without the risk of challenges from third countries at the WTO and the threat of countervailing duties imposed on our exports.

IMTA considers that the most pragmatic approach would be for the UK to continue to import from those countries that we currently import from, recognising the EU's plant listings, animal health approvals and residue plans, as well as using the EU model of veterinary certificates (see annex 1). We need clarity well in advance that the plants currently approved to export to the EU will be recognised by the UK.

The UK must ensure that although animal health controls are risk and science based that additional barriers to imported product are not implemented. Any policy will need to be equivalent to that applied to domestic production.

Animal disease outbreak response

It is imperative that the UK, as the EU generally does, continues to follow the OIE standards set down on importing from a country or region with a disease outbreak. This allows the UK to then negotiate from a position of strength with regard to our exports when dealing with some countries which fail to follow the OIE rules. There needs also to be clarification on the EU's regionalisation policy for the UK in case of an animal disease outbreak.

Regulatory Change

There are a small number of areas which IMTA has identified as areas where we would like at some stage to see tweaks to the EU legislation. As we develop our analysis of the opportunities posed by Brexit there may be other areas for amendments.

Labelling

Date of first freezing – under the Food Information to Consumers regulation EC 1169/2011 there is a requirement to label 'the first date of freezing' for meat and meat products. So far the UK has managed to take a more flexible interpretation of the regulation wording than in other member states. The UK is allowing the first date on which the meat product was made not the earliest date

of freezing of any of the ingredients. For meat preparations made from multiple ingredients frozen on different dates, it would be both impractical and costly for food businesses to have to identify the earliest freezing point of any of the ingredients in the preparation. It would also go beyond the wording of the regulation, which refers to the date of first freezing of the 'product' rather than the constituent ingredients. The effect of an interpretation of the regulations that required the earliest date of freezing of any of the ingredients would be to make the market for meat trim less economic, with some meat preparations no longer being economically viable, thus reducing choice for consumers.

IMTA attends the business expert working group on meat which discusses labelling and other issues for the sector. This group has been working with Defra to fight this requirement as it is unnecessarily restrictive. The issue has also been fought at an EU level through our European trade association UECBV. However, the Commission has as yet not changed its rigid view on the issue. This would be an area where the UK should remove this requirement to label the first date of freezing. This is an example of an issue that disproportionately affected the UK market and therefore as other markets were not affected by it they did not provide support to the UK in opposing it. In future there will be opportunities to make decisions that better reflect the nuances of the UK market.

In Theresa May's speech at the Conservative party conference she mentioned food labelling as an area where the UK should be able to choose its own approach. In instances like the date of first freezing we would agree. Labelling of the country of origin of meat products is not however something that the UK should pursue. This adds costs and inflexibility to the food industry. The UK must ensure it does not add barriers to trade as the WTO monitors these and WTO members can take the UK to a dispute panel.

Government resourcing

Overall

The current government structure providing policy and enforcement for the UK food industry needs to be reviewed. The delineation of responsibility between Defra, FSA, APHA and the devolved administrations is often unclear, together with frequent reorganisation, making it incredibly difficult for the food industry to identify the correct point of contact for different situations. Detailed up to date organograms would help business operate more efficiently when engaging with government departments. Consideration should also be given as to how better use could be made of resources in the devolved regions.

Trade negotiation

It seems that the Brexit Department and the Department for International Trade will have overarching responsibility for negotiation of trade deals with the EU and other countries with Defra having a role for agricultural elements of trade deals. Food and agriculture are often the sticking point in trade talks and this should be reflected by ensuring sufficient recognition of its importance as well as ensuring sufficient people with knowledge and expertise in the area are recruited. IMTA recognises that it is a mammoth task recruiting trade negotiators to cover all the sectors in the UK but are concerned that there is not sufficient knowledge within the Department for International Trade of food and agriculture. IMTA can offer training and visits to assist in staff better understanding this sector.

We would urge government to consult with industry early on in trade proposals so thorough assessment of impacts can be made. IMTA welcomes being consulted and offers assistance in assessing the impacts.

Export Resource

For the meat sector to contribute to the Defra export plan target of increased exports of 20% by 2020, government needs to commit more resource to market access and export certification.

The Defra team for market access negotiations, in IMTA's opinion, is severely under resourced. More and more export markets require completion of an extensive questionnaire demanding data going back several years, never allowing an off the peg response. The certificate and notes for guidance must be drafted by a vet and liaison with competent authorities and arrangements of visits/ audits must be arranged. Defra must have more resource in this team. This is particularly key for ensuring that if UK exporters face full duty for exports to the EU, that other markets are available in time to mitigate the risk. Loss of veterinary equivalence and duty free access to the South Korean and South African markets for our exports are also a risk and opening other markets now would help mitigate the impacts.

FSA resource for pre-audits and inward inspections is also not adequate due to the number of FSA staff available to undertake this work. Adequate resourcing in FSA and APHA export teams is vital to support Defra's market access work. If APHA has to issue export health certificates for export to the EU then it will need a significant increase in staffing resource to cope with the additional workload.

UK plants which are currently under local authority control may require export health certificates for meat products (and other foods containing products of animal origin) to the EU post exit. The local authorities will need to be prepared for this increased resourcing requirement. New Chinese regulations requiring export certificates for all food products will also impact on veterinary and local authority resource for signing certificates. If resource is not increased this will be an additional burden on UK veterinary resource.

Import Resource

The Defra import teams will need more resource as they will need to take on roles which the European Commission is currently responsible for. 'Unit F' (formerly known as the Food and Veterinary Office) undertakes audits of member states and third countries which export to the UK. How this will be continued by the UK after Brexit is a key consideration.

Port health will also face substantially increased workloads if EU products become subject to veterinary checks. Staff recruitment and training will need to be put in place.

Customs will also need to increase its staff and resource substantially if all EU products become subject to customs clearances. All companies currently not involved in non-EU trade, just intra-community trade will potentially for the first time come into contact with customs and will need support, guidance and assistance, particularly in how to apply for certain customs procedures.

FSA

The FSA is already under resourced and is facing further budget cuts in real terms. The UK faces taking on further responsibilities that the EU has undertaken and the FSA must be equipped to deal with the changes to ensure high standards of food safety in the UK. Defra wants the UK to increase

exports by 20% by 2020 and it needs to provide the resources to support that across government. The FSA import and export team in particular should be provided with additional resource in light of the wider remit they will take on following Brexit.

Infrastructure

Depending on the deal agreed by the UK and EU, there are potential infrastructural considerations. Outside of the single market it is likely that some kind of border formalities would be required. This could include veterinary checks on product moving between the UK and EU which is currently free to move without checks. Similarly customs clearances could be required for product moving between the UK and EU. The implications of these must be considered carefully.

Borders

Border Inspection Posts (BIP) – currently only non-EU meat imports require checks by vets at a BIP upon entering the EU. In future the UK may require BIPs for veterinary checks on EU product entering the UK and the EU for UK product. This would mean increased volumes coming in through existing BIPs as well as added costs of delays for imports from the EU which currently do not occur. If coming through the BIP, the EU product would require documentary checks, physical checks and sampling on a certain percentage of product. For non-EU product this is 50% physical checks on poultrymeat and 20% for beef, lamb and pork.

To deal with this huge increase in product requiring vet checks the UK government will need to recruit and train staff. Port health vets are often from other EU member states as they have good training programmes for these roles. There aren't existing BIP facilities at many of the UK ports where EU product comes in, for example Dover, which has 300 trucks through it every hour. In 2015 2,539,918 lorries were handled at the port of Dover.

There is an opportunity to progress UK work on the 'One Government at the Border' concept to streamline border checks by different authorities at the port. IMTA is keen to be involved in discussions on One Government at the Border.

Laboratories

If EU product also becomes subject to veterinary checks, this will add increased sampling requirements. UK laboratories are already overstretched and therefore the UK government will need to put in place adequate facilities to cope with the additional testing that may be required. Existing arrangements rely on access to EU testing laboratories.

Land border

The Republic of Ireland – Northern Ireland land border runs for 499km. How will customs ensure that products are customs cleared if required when the UK leaves the EU? Will a border inspection post be required?

As far as possible IMTA does not want to see a hard border between Northern Ireland and the Republic of Ireland.

Systems

The customs CHIEF computer system is currently being redeveloped and the new system must be prepared to deal with the increased number of customs clearances required for EU product. Introducing customs checks on products moving between the UK and EU would bring in a large number of companies that have never used these systems so they need to be user friendly and support must be available.

TRACES

Currently port health have access to the EU TRACES system. TRACES aims to digitalise the certification process so for example New Zealand exporters can send their CVED via this system. The UK vet can then look at it via TRACES. The UK needs to retain access to this system if possible or find a system equally as good to replace it.

TRACES has an impact on the UK import clearance system ALVS (Automatic Licence Verification System) used by port health. ALVS links to TRACES and without it throws into question how ALVS would work.

RASFF

Currently, the UK is part of the rapid alerts system for food and feed which allows messages on potential food safety issues to be flagged across the EU. This provides protection to consumers and any move away from its use would be retroactive and potentially put consumers at risk.

Export certificate issuing system

Since at least 2009, government has been considering a new IT system for export certification. After numerous false starts an interim, non IT based, process was introduced. Faced with the potential impacts of Brexit this system is needed now more than ever. APHA needs funding for an IT system which will better facilitate exports and allow us to compete more effectively on the world market. If government is truly committed to a digitalisation agenda and promoting export we need UK government to provide the funding which has previously not been awarded.

Rules of Origin

If under a Free Trade Agreement with the EU, the UK is required to issue certificates of origin to prove the origin of processed goods there will be an additional requirement on chambers of commerce to issue certificates as well as added costs to companies. Could some form of self-certification be agreed?

Company Impacts

As well as overall UK infrastructural considerations there could also be requirements for companies to make significant changes. If customs clearances are required then freight forwarders and traders may need to increase their staff, train these staff and change their processes. There will be many companies who have not previously been involved with customs procedures of veterinary certification as they have only undertaken intra-community trade. Government will need to provide significant support to these companies to allow them to continue to trade in the future. IMTA can provide a communication route to some of these companies.

Labour

Access to labour for the food sector is one of the most significant challenges posed by Brexit. Slaughterhouses and cutting plants in the UK are often staffed by non-UK nationals. Many veterinary officials in slaughterhouses and at Border Inspection Posts are non-UK nationals and free movement of veterinary professionals is essential to fulfil these roles. These are not seasonal workers but permanent members of staff. Skilled workers are also required, not only low-skilled workers. Access to labour sources for the food industry is crucial to keep it moving. The largest UK manufacturing sector needs staff that it can rely upon on a permanent basis to keep it functioning. IMTA expects that other trade associations will present their cases in due course on this, but wish it to be recorded that we are fully supportive of the need for access to non-UK workers.

Customs Facilitative measures

IMTA is a member of the Joint Customs Consultative Committee, a joint industry-HMRC forum for discussion of customs issues and will develop further policies on customs aspects in conjunction with this group. The trade on the whole is supportive of the UK taking the UCC as a basis for a UK customs regime but with a few changes.

The UK should remove the requirement for customs guarantees for potential duty. This has posed significant problems particularly for UK cold stores that were suddenly being asked for guarantees to cover product stored at their site.

The Union Customs Code came into force in May 2016. However, there are transitional periods for certain parts of the code. This means that companies are faced with decisions on whether to become an Authorised Economic Operator (AEO) or make other changes to their business in order to comply or whether they may not need to make them if the UK is no longer in the EU. There needs to be clarity for businesses to avoid any unnecessary costs and time wasted through making changes that may no longer be required.

AEO

The UK is lagging behind other member states in the number of companies holding AEO status. Germany has 5,977 companies with AEO status, The Netherlands has 1,512 and the UK only 502.

In the meat import sector there are several reasons why there has been no uptake:

1) AEO does not translate into faster port clearances for meat because it is still subject to port health veterinary checks.
2) When meat importers are looking at which standard or accreditation to go for, they are more likely to go for one which their customers' are asking them to have e.g. BRC Agents and Brokers. AEO is not requested by their customers at the moment.

Therefore there is minimal perceived advantage to having AEO in the imported meat sector. Until there are tangible benefits to AEO accreditation this is unlikely to change. The UK has the opportunity to create its own version of AEO with greater benefits for all sectors of industry.

Several freight forwarders working with meat importers have AEO so we would be supportive of the UK government seeking mutual recognition of AEO with the EU if the UK creates its own version of AEO.

Resources for business

There are several tools and resources currently provided by the EU which the UK should take on post-Brexit as these are incredibly useful for industry:

- The EU provides agricultural market information such as regularly updated dashboards with market data, forecasting for the meat sector and information on quota fill. These resources are extremely valuable to UK businesses and where relevant the UK will need to find a way to continue to provide this for the UK market. For example, if the UK has its own quota system, information must be provided regularly on quota usage to allow business to plan.
- Eurostat provides an excellent source of information on trade flows and production in the EU and again it would be essential that the UK can provide something equivalent. HMRC does have a database with trade information which is probably fine for macro level analysis but it is agonisingly slow and not fit for purpose when drilling down to specific sectors.
- The EU provides its market access database which is extremely useful in providing information on import requirements and quotas available for different products on both import and export.
- BTIs: Currently UK importers can apply for a BTI (Binding Tariff Information) which is recognised on an EU wide basis. This means that all EU customs authorities will respect that the product will be treated for duty under the CN code which it has a BTI for. This provides protection for businesses on differences of interpretation for tariff classification of imported goods. If in future this was applied for through HMRC could we still seek EU-wide recognition of the application through HMRC or would the importer have to apply both in the UK and the EU?

Government will need to put significant resource into providing help to businesses in the form of training and guidance regarding legislative changes. In recent years government decided not to issue government level guidance. Faced with the uncertainty of Brexit we would argue that this decision must be overturned. Industry will need guidance as never before.

Conclusion

The coming months and years will require government to closely consult with industry to ensure that all impacts of Brexit are considered. In this paper we have endeavoured to outline just some of the practical impacts that could be foreseen depending on the future EU-UK trading relationship and we would ask that government takes careful notice of this. We have also put forward some of our key priorities for the future UK meat trading system both for importers and for exporters of meat.

IMTA is open to assist government in any way it can in the coming negotiations. We can offer information, consultation of our members for views, access to our excellent international networks and expertise across our membership in international trade. We would encourage government to ask us questions to fully understand the priorities and potential impacts for our sector.

Contributions

IMTA would like to thank all those members who provided contributions to this paper whether through the working groups or through checking the paper.

The International Meat Trade Association

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Annexes

Annex I

Countries Approved for Export to the EU (by species)

Country	Restricted areas*	Beef	Pork	Poultry	Sheepmeat
Argentina	✓	✓		✓	✓
Australia		✓			✓
Brazil	✓	✓		✓	
Botswana	✓	✓			
Canada		✓	✓	✓	
Chile		✓	✓	✓	✓
China	✓			✓	
Falkland Islands		✓			✓
Greenland					✓
Iceland		✓			✓
Israel	✓			✓	
Japan		✓			
FYR Macedonia					✓
Namibia	✓	✓			✓
New Zealand		✓			✓
Paraguay	✓	✓			
Russia				✓	
Serbia		✓			✓
Swaziland	✓	✓			
Thailand				✓	
Ukraine				✓	
United States		✓	✓	✓	✓
Uruguay		✓			✓

Meat cannot be imported from certain areas in the country.

Annex 2

Quotas which the UK may be able to access for export to the EU post-Brexit

Beef Quotas which UK would be eligible for

Quota/ Product	Commission Regulation	Order Number	Origin	Available Volume (tonnes)	Duty
Frozen beef intended for processing	412/2008	09.4057	erga omnes	50,000	20%
		09.4058		13,703	20% plus reduced base specific duty
GATT Frozen beef	431/2008	09.4003	erga omnes	53,000	20%
Frozen thin skirt ('hampe')	748/2008	09.4020	erga omnes (ex. AR)	800	4%
High Quality Grain Fed Quota	481/2012	09.2202	erga omnes	48,200	0%
Total tonnes at 0 or reduced rate				**165,703**	
2015 UK exports of beef to EU				**98,107**	

Sheepmeat Quotas which UK would be eligible for

Quota/ Product	Commission Regulation	Order Number	Origin	Available Volume (tonnes)	Duty
Boneless Lamb	1354/2011	09.2178	erga omnes	200 (total for three products)	0%
Boneless mutton/sheep		09.2179			
Bone-in and carcases		09.2016			
Total tonnes at 0 or reduced rate				**200**	
2015 UK exports of sheepmeat to EU				**75,170**	

Poultry Quotas which UK would be eligible for

Quota/ Product	Product details	Commission Regulation	Order Number	Origin	Available Volume (tonnes)	Duty
Oilseed	Chicken	1385/2007	09.4412	Erga omnes (excl. BR, TH)	3,300	0%
	Turkey		09.4422	Erga omnes	2,485	
			09.4421	Erga omnes (excl. BR)	700	
WTO	Chicken	533/2007	09.4067 Whole Chickens	Erga omnes	6,249	Full duty reduced by 50%
			09.4068 Bone-in cuts		8,570	
			09.4069 Frozen boneless		2,705	
	Turkey		09.4070	Erga omnes	1,781	
616 – Group 3	Salted - ex 0210 99 39	616/2007	09.4213	Erga omnes (excl. BR, TH)	828	15.4%
616 – Group 6A	Cooked chicken > 57% chicken content - 1602 3219		**09.4216**	**Erga omnes (excl. BR, TH)**	**11,443**	**8%**
616 – Group 6B	**Chicken Uncooked >57% - 1602 3211**		**09.4261**	**Erga omnes (excl. BR, TH)**	**340**	**630€/tonne**
616 – Group 6A	**Chicken Prepared 25% <> 57% - 1602 3230**		**09.4260**	**Erga omnes (excl. BR, TH)**	**2,800**	**10.9%**
616 – Group 6B	**Chicken Prepared < 25% - 1602 3290**		**09.4262**	**Erga omnes (excl. BR,**	**470**	**10.9%**

Quota/ Product	Product details	Commission Regulation	Order Number	Origin	Available Volume (tonnes)	Duty
				TH)		
616 – Group 7	**Turkey Preparations - 1602 31**		**09.4218**	**Erga omnes (excl. BR)**	**11,596**	**8.5%**
616 – Group 6B	**Duck Cooked > 57% - 1602 3929**		**09.4263**	**Erga omnes (excl. BR, TH)**	**220**	**10.9%**
616 – Group 6B	Duck Cooked <57% > 25% - Ex 1602 3985		09.4264	Erga omnes (excl. BR, TH)	148	10.9%
616 – Group 6B	Duck Cooked < 25% - Ex 1602 3985		09.4265	Erga omnes (excl. BR, TH)	125	10.9%
Total tonnes at 0 or reduced rate					**53,760**	
2015 UK exports of poultry to EU					**272,782**	

Pigmeat Quotas which UK would be eligible for

Quota/ Product	Commission Regulation	Order Number	Origin	Available Volume (tonnes)	Duty
Oilseeds - chilled loins/ frozen bellies	442/2009	09.0119	Erga omnes	7,000	0%
WTO - Loins and hams boneless		09.4038		35,265	250 EUR / t
WTO - Tenderloin		09.0118		5,000	300 EUR / t
WTO - Carcases		09.0122		15,067	268 EUR / t
WTO - Other cuts		09.0123		6,135	233-434 EUR / t
WTO - Sausages		09.0120		3,002	747 EUR / t
WTO - Other prepared		09.0121		6,161	271-784 EUR / t
Total tonnes at 0 or reduced rate				**77,630**	
2015 UK exports of pigmeat to EU				**162,593**	

Annex 3

Executive Summary of IMTA's 'Meat Imports + Exports + Production = Benefits to the UK' Paper

The UK first imported meat in the late 1800s and it continues to provide an important contribution to the UK meat market. In 2014 non-UK product accounted for just over 45% of total meat supplies. £683 million worth of chilled and frozen meat was imported from outside the EU and a further £599 million of processed products. Whilst to some this might seem a call to replace imported with British product there are a number of reasons why this would not be desirable.

For the purposes of this paper imports will be considered as products coming from non-EU countries. A rigorous system is in place to ensure that all imported meat complies with EU legislation on animal health and public health.

Contribution to UK Economy

Unfortunately no official output statistics exist for the sector, but taking the difference between the value of duty paid imports and the value of these products at retail and food service level, it is estimated that the contribution of this sector to the UK economy is more than £1.8 to 2.0 billion.

Imported meat provides an important supply of product used by the catering, manufacturing and retail sectors. It supports employment throughout the food chain from plants cutting and packing for the retail sector, down to small cafes. Throughout the chain it provides employment for the service industries such as the ports, cold storage and freight sectors.

Food Security

The Department of Health (England) recognises food poverty as 'the inability to afford, or to have access to, food to make up a healthy diet'. Between 1st April 2014 and 31st March 2015 1,084,604 people used food banks.

Lower income families spend a greater percentage of their income on food and therefore higher prices have a greater impact on this sector of society. Meat is a valuable source of protein, vitamins and minerals and therefore all parts of society should have affordable access.

Self-sufficiency is not synonymous with food security as it fails to protect a country against disruptions to national supplies from animal disease etc. International trade has an important role to play in spreading and sharing risk and volatility. The key to food security is flexibility of supply.

Global Demand for Protein

On the global market the dynamics are changing with rising affluence in countries such as China, India and Brazil where there is an increasing demand for meat. Such developments provide opportunities for the UK to export parts of the carcase less popular with British consumers, but may also reduce availability of other cuts for the UK consumer.

Seasonality of Supply

Seasonal factors mean that ruminant production is not necessarily efficient and sustainable all year round, so that imported product can complement domestic production and keep a consistent year round supply, as in the case of lamb.

Matching Supply and Demand

Meat is a unique sector of the food market as meat production is a process of de-construction rather than manufacturing from a mix of raw materials. Imports thus play an important part in matching supply and demand. The UK market does not consume all parts of the carcase in the same proportions. Exports provide an opportunity to gain a better return for offal etc., whilst British consumers have a high demand for lamb legs, mince and chicken breast. This demonstrates how trade is two way and why imports cannot be ignored when pushing for increased exports.

Providing Appropriate Supplies to all in the Food Chain

Within the industry, the supermarkets tend to dominate, leaving the catering sector, which traditionally needs large volumes of a smaller group of cuts, more dependent on imports. The supply to the catering sector needs to be consistent over a sustained period of time. The specification requires that steaks for example be uniform in size, shape, colour, fat cover etc.

Because of the numbers of cattle slaughtered in any one abattoir in the UK, to collect a consignment like this would be extremely difficult, but with the larger throughput of animals in South America the quantity could be packed in a matter of days by one plant.

What we really need is robust import, domestic production and export markets fit for the 21st Century.