**A new cycle for sustainable food production in international trade?**

**Steven Thomson**

As the warmth of the spring sun starts to hit the land and calves and lambs are being born moods are uplifted as a new cycle begins. But the farming year is not the only thing on a cycle. Through the darks of winter, the Farmer Led Groups on Climate Change have been extremely busy thinking about the next cycle of policy support and making great progress in providing practical suggestions and solutions as to how agriculture and wider land management can play their role in meeting ‘global challenges’ over the next decade and beyond.

The Cabinet Secretary, Fergus Ewing, has been consistent in his messaging - that the Scottish Government remain committed to supporting food production whilst addressing climate change and biodiversity goals. Undoubtedly, concerted efforts and changes to on-the-ground practices will be required if agriculture is to deliver on all three fronts – and we can’t keep kicking the can down the road or passing the buck to others to deal with the ‘green bits’.

If the sector is to truly rise to these climate, biodiversity and food challenges it will require a shift in how Scottish Government support is distributed from the current model. Indeed, the seeds of policy evolution have been mentioned in dispatches through increased conditionality requirements (doing some more for climate and biodiversity, etc.) that will perhaps lead to Greening support delivering more for the environment.

Hopefully, a new cycle of pilot schemes can be launched as an immediate outcome from the Farmer Led Groups that helps reward technical efficiency and environmental attainment and shines a light on the pathway for future Scottish agricultural policy in a way that gives the industry the time to adapt and change. We can perhaps witness the changing cycle of Scottish Government priorities through the £250million budget announced for peatland restoration, the additional £150 million for tree planting from 2024, and the Sustainable Agricultural Capital Grant Scheme grants some of you may have already received (with a further £40 million per year for capital and knowledge exchange appearing in the Scottish Budget 2021-2022 under the heading of ‘agricultural transformation’).

I suppose that is the preamble to the crux of the issue – who is going to pay for the changes required to deliver these objectives and how does it fit into the post-Brexit globalisation agenda of free(er) trade? In this new policy cycle of ‘public (tax) monies for public goods’ there are many proponents across the UK that believe it is simple – the solution lies in redirecting public monies to environmental provisioning. I, however, truly believe that the consumer should bear some of the cost of embedding environmental enhancement into food production. But rising food prices are a bitter pill for the public and, more importantly, politicians to swallow – meaning it may remain hard to extract more from the market, despite the additional efforts and costs from the sector in delivering for society. It is also hard to extract more from a market that is likely going to be increasingly exposed to global agri-food competition as more Free Trade Agreements are concluded by Liz Truss and her team.

A new cycle of freer trade was one of the Brexit promises, and whilst I agreed with many of the assertions in Defra’s Health and Harmony white paper, I vividly remember this entry: “*opening up our own markets can also benefit consumers by offering more choice and strengthening the discipline of competition that helps keep food affordable*.” Whilst global trade deals will undoubtedly present access to new markets we are on the back foot compared to the likes of the US, New Zealand and Australia who are already embedded in global export networks and have experience in penetrating markets and building product demand. We on the other hand, have become accustomed to largely dealing with exports to the EU or satiating demand south of the border – so a lot of effort and funding will be required to build a meaningful trade presence in new markets if? free trade agreements ‘open the door’.

We are all aware that trade deals come with significant risks for the agri-food sector – and you have all heard the noises over chlorinated chicken and hormone beef. However, the issues go way beyond those headlines into other matters such as food labelling, antibiotic use, pesticide use, etc. Indeed, as global efforts to decarbonise production intensify, I regularly wonder how the environmental footprint, welfare and ethical production standards could/should be considered as part of international trade – and can it be done in a way that is not detrimental to developing and emerging economies.

Pushing for change in the international (WTO) frameworks governing trade to better take account of environmental and welfare standards was therefore a welcome recommendation of the independent Trade and Agriculture Commission (TAC) in its Final Report. Balancing consumer and producer needs is not easy and the TAC Chair, Tim Smith, hit the nail on the head when he said: “*providing a set of recommendations which properly balance liberalisation of trade with what matters most to UK citizens and is fair for the UK agri-food sector is daunting*” adding “*there are no easy answers.*”

The Commission’s report is a welcome timely intervention as we embark on this ambitious trade, agricultural and environmental policy cycle. The report fully acknowledges that agricultural, food and trade policy are intertwined and need to be considered more holistically if we are to deliver on all fronts. The Commission also highlight the need for a thriving agricultural sector that is supported through domestic policy to be innovative and efficient whilst maintaining and enhancing welfare and environmental standards.

My simple interpretation of the TAC recommendations is that they are saying yes to freer trade - but are not recommending a free-for-all, rather any imports should have to meet the standards we set and those standards need extended to include climate change. For those that like the technical terms, that means for trade partners there would be lower or zero tariffs (although expect future debates on carbon border taxes) and zero (or near zero) quota – but maintained protection through sanitary and phytosanitary rules PLUS new rules on welfare and environmental standards. That is a step change from current rules governing international trade, but likely a vital evolution that is required to provide protection against cheap imports if our farmers and crofters are indeed embarking on a ‘greening’ process. Timing in politics is key and with a new leader of the WTO, coupled with the fact that many countries are grappling with decarbonising of food production, it may be that the stars are aligning to enable us to embark on a renewed cycle of international agri-food trading negotiations.

It appears that a cycle of change is inevitable – and whilst change is challenging, endeavours across the sector will be vital – else we may be told to ‘get on yer bike’ and find funding realigned more radically.