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KEY RECOMMENDATIONS

This briefing is derived from a high level vision of what a successful Brexit actually looks like. Only once this vision is laid out can we determine what changes need to be made to Britain's agricultural policies in order to realise it.

We believe that the component parts of a successful Brexit include:

- a. A 'Prosperity Zone' consisting of a group of like-minded countries which agree to a massive reduction of trade barriers, behind the border barriers and economic distortions; Members might include Singapore, Australia, New Zealand, US, Canada, Mexico and Switzerland;
- b. Bilateral Agreements between the UK and a series of major trading partners such as the EU, India and China;
- c. Economic Partnership Agreements with developing countries (primarily in Africa, Caribbean and the Pacific region, so-called ACP countries) that are true economic partnerships involving access for their agricultural products, an end to tariff escalation and reduction of tariffs to advanced manufacturing as well as regulatory reform in these countries, which such countries often need to do but are prevented from doing because of powerful vested interest groups; and
- d. A productivity and consumer welfare agenda in the UK that leads to a reduction of distortions at home, and policies that use free trade and free markets to lower key costs such as food and energy.

Achievement of these policy goals could lead to an injection of at least 2-3% into global world product year on year, creating the economic engine that the world currently lacks. The global economy has been stalled since 2006, multilateral and regional agreements are stalled or stalling (no world trade round has been concluded for twenty-two years, a much longer period than any since the GATT system was first instituted in 1947). China, the USA, and the Eurozone no longer play the role of global engines of economic prosperity.

In order for the UK to be able to negotiate with other countries, and to maximise the possibility of placing Britain at the centre of a network of trade arrangements, it is imperative that the UK not be saddled with the European Common Agricultural Policy and the Common Fisheries Policy which both contribute to the defensive baggage that the European Union has, and which make it more difficult for the EU to agree with other countries. Hence a key recommendation is that the UK leave the CAP and CFP. The ECA Repeal Bill should not port over agriculture-related measures, as a result of nationalisation into UK law of relevant and applicable European directives, regulations, and ECJ decisions.



AGRICULTURAL RECOMMENDATIONS

Assuming that the UK is not in the CAP or CFP, we make the following key recommendations for change:

1. Tariffs and Quotas

- a. We recommend a conversion of quotas and tariff rate quotas (TRQs) to tariffs.
- b. Elimination of quotas and tariffs on all products the UK does not produce (for example olive oil, various tropical fruits and so forth).
- c. Creation of a tariffication mechanism which enables UK farmers to discipline imports of products whose costs are reduced by distortions in their own markets.

2. Subsidies and Supports

- a. Phase out any production or land-based subsidies and move towards direct transfer payments by 2021.
- b. Redirect funding towards supporting individual, active farmers via direct transfer payments to prevent a shock to Britain's farming families and their communities and increase transparency in the budgeting process.
- c. Redirect greening funding towards environmental remediation schemes available on an as-needed basis, funded by an insurance scheme designed to cover events out of the ordinary and out of farmers' control (e.g., flooding).
- d. Maintain animal disease compensation funds.
- e. Creation of retirement funds.

3. Regulatory

- a. Eliminate precautionary principle.
- b. Regulate only on the basis of sound science, and in compliance with the letter and the spirit of WTO SPS and TBT Agreements.

4. A new agricultural market for UK farmers

- a. Direct transfer payments for specific purposes.
- b. Funds for research and development and farming equipment improvements
- c. Use direct transfer payments in very targeted ways that allow farmers to take advantage of the land they have in a commercial manner, including through the provision of energy and tourism services.
- d. Creation of a retirement fund mechanism for farmers.

5. Role of Devolved Powers

- a. The UK, once it has trade competence will have to reassert its authority over agricultural policy and food as these have reserved power (trade) implications.
- b. Devolved powers to provide advice to the UK government through councils.
- c. UK parliament is sovereign and can vote to approve a fully negotiated agreement (but may not intervene in specific provisions); Devolved powers will not have a veto.

6. A range of new trade agreements to be negotiated as discussed above, key elements will include
 - a. Mutual reduction of tariffs, and elimination of quotas.
 - b. Elimination of SPS and TBT measures that distort trade and are not based on sound science.
 - c. A tariffication measure to ensure that products from subsidising or distorting countries are subject to some discipline.
 - d. Developing country EPAs where the UK is open to agricultural exports from these countries, and which ensure regulatory reform in those markets, as well as tariff reduction for advanced manufacturing.

FISHERIES RECOMMENDATIONS

1. **As part of the Withdrawal Agreement with the European Union (estimated to be March 2019, until which time the CFP and current fisheries regulation will continue to apply to assure industry and consumers of continuity):**
 - a. Exit the Common Fisheries Policy.
 - b. Agree mutual recognition of EU/UK health and safety regulations for fisheries products, so that SPS/TBT measures cannot be used to damage trade.
 - c. Agree continued landing rights for EU/UK vessels.
 - d. Agree historic (pre-European Union) fishing rights where appropriate for European vessels in UK waters, as laid out in UNCLOS.
2. **As part of the Great Repeal Bill, to be passed on the date of the withdrawal from the European Union:**
 - a. Return to the baseline provisions in the UN Convention on the Law of the Sea (UNCLOS) and UN Fish Stocks Agreement (UNFSA) for all matters relating to the delimitation of territorial waters and straddling fish stocks which fall between Britain's exclusive economic zone (EEZ) and the EEZs of the European Union, Iceland, and Norway.
 - b. Remove the autonomous tariff quota (ATQ) for all fisheries products not native to the UK's territorial waters, and all fisheries products not presently available for commercial fishing in the UK's territorial waters (e.g. cod).
 - c. Reduce general tariffs for all fisheries products, subject to an emergency tariffication measure based on subsidies and distortions in other markets; and
 - d. Grandfather preferential tariff rates for developing countries.
 - e. Complete ban on production subsidies.
 - f. Ban on discards.
3. **Submit a revised declaration of territorial waters to the UN which acknowledges the full 200 nautical mile boundary afforded the UK as a sovereign nation under UNCLOS.**
4. **Join the 'Friends of Fish' group within the WTO and actively advocate in Geneva for the addition of a fisheries schedule to the WTO.**



5. Become an active participant in the Codex Alimentarius Committee on Fish and Fisheries Products.
6. Include a fisheries chapter within every free trade agreement (FTA) signed as a sovereign nation going forward, including the European Union.
7. Design an insurance scheme for fishermen and fleets to mitigate the risk of natural disaster.
8. Develop a property rights-based scheme for allocating plots of the territorial waters to British vessels.
9. Join the North East Atlantic Fisheries Commission as a sovereign nation.
10. Devolved powers to provide advice and local guidance, but fisheries policy and trade negotiations must be handled by the central government.
11. Parliament to provide advice and guidance through relevant committees of jurisdiction, but may only vote in favour of the ultimate agreement or against it, and may not alter provisions within the agreement itself.