

Cheaper food after Brexit?

The Common Agricultural policy has been bad for UK consumers and bad for producers. Our time in the EU has seen our domestic output meet less and less of our needs, seen imports from the EU surge, and given us dearer food. There are high external tariffs of most food from outside the EU.

I still think it likely commonsense will break out in due course and the farmers and other exporters of the continent will not want to face high tariffs on their voluminous exports to us. Let us, however, suppose there is no deal, and we just leave. What tariffs would result on EU food exports to us?

The current EU external tariff on food stuffs are, according to the UK Agriculture and Horticulture Development Board (12 October 2016 publication)

Beef 65-87%

Pork 43-50%

Lamb 45-51% (there are however substantial tariff free quotas for NZ/Australian lamb)

Chicken 27-41%

Cheese 42-68%

Milk and cream 50-74%

Butter 63%

Vegetables 10-15%

Wheat and barley 53%

Jams etc 24%

Processed ham 27%

Processed chicken 88%

As a result of these current penal impositions on most non EU exports to us, the EU does most of the exporting to us. The Dutch account for 75% of our flower imports, and 23% of our vegetables, with Spain another 27%. The Dutch provide 44% of our poultry imports, Ireland 68% of our imported beef and the Danes 26% of our pork.

We now import around half our butter and 60% of our cheese, 35% of our beef, 60% of our pork and 40% of our poultry.

So what would happen if we move to WTO rules and impose these high tariffs on EU foods? It would be wise to cut tariffs on various foodstuffs we could not produce economically at home from non EU countries, which you can always do under the WTO scheme as they are out to stop increases, not declines.

Undoubtedly there would be a surge in domestic production of butter, cheese, beef, flowers, pork and poultry were such barriers to be erected. Moving to world prices for items where we could not produce at home would help reduce price levels. Why, for example, do we have to have a tariff on oranges and other hot country fruits, which we cannot grow for ourselves?