



## UK faces higher cost of food after Brexit, new report warns

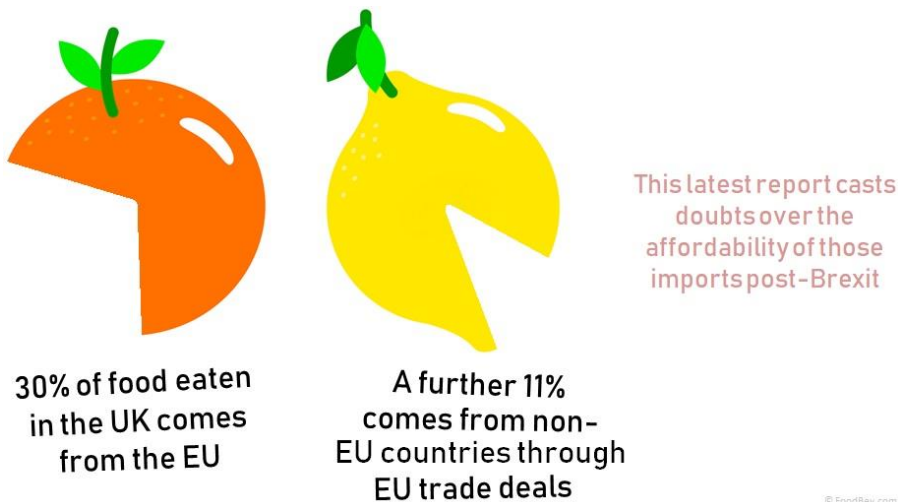
Consumers in the UK face a rising cost of groceries when the country leaves the European Union (EU), a parliamentary report has warned.

The House of Lords' EU Energy and Environment Sub-Committee found that 30% of food eaten in the UK currently comes from the EU, with an additional 11% coming from non-EU countries as part of European trade deals. The sub-committee found that 40 such agreements are in place, covering imports from 56 different countries.

It has warned that import tariffs post-Brexit will “lead to significant price rises for consumers”, and has urged the UK government to begin negotiations with its trade partners in order to minimise disruption on the food supply.

Lord Teverson, chairman of the EU Energy and Environment Sub-Committee, put pressure on the government and criticised food minister George Eustice, who had earlier downplayed the scale of post-Brexit trade deals when appearing before the committee.

“Throughout our inquiry there was a striking contrast between government confidence and industry concerns,” Lord Teverson said. “The minister may not be worried about the potential for Brexit to impact on the price and availability of food, but the representatives of the food and farming industry, importers, port authorities and consumer organisations were vocal in their concerns.





“The government has some important choices to make. They have said they want to maintain high food standards but also that they would be willing to have minimal customs checks to avoid disruption at borders. They have said they want UK food and farming to be exemplars of high-quality production but also that they will seek trade deals that secure lower prices for consumers.”

The report found that EU food imports “could not easily be replaced” by an increase in homegrown produce or importing more from outside the EU. “UK self-sufficiency has been declining for the past 30 years, and could not quickly be reversed”, the committee said.

“Whilst the UK government hopes to negotiate a trade agreement to allow tariff-free and ‘frictionless’ imports of food to continue, this is by no means a guaranteed outcome.”

The report claimed that additional customs workload after Brexit could lead to congestion at the UK’s ports and “significantly disrupt food deliveries”.

“Even in the ‘best case scenario’,” it said, “international rules would oblige the UK to conduct more customs and borders checks than is currently the case.”

The findings have cast doubt on how the poorest families will be affected by the UK’s withdrawal from the EU, which is now expected to take place by the end of 2020 following a two-year transition period. One in five British households either experiences food insecurity or is close to experiencing food insecurity, the committee claimed.

“Any increase in food prices could see more people struggle to afford adequate, nutritious food,” it said.

In particular, the report pinpointed the cost of fresh produce, with 40% of vegetables and 37% of fruit in the UK currently coming from the EU.

Lord Teverson continued: “We are calling on the government to set out what checks they do intend to carry out on food imports, to allow the food industry and customs authorities time to prepare and to reassure consumers that standards will be upheld.

“And we would urge the government to consider the impact that Brexit may have on food inequality in the UK: will we have a situation where high quality, local produce is available for those who can afford it, with cheaper food imported for those on lower incomes? The UK needs a comprehensive food policy, to tackle these complex issues, and we urge the government to produce one with some urgency.”



### The Norway example

How expensive are prices in Norway, which is not in the EU, compared to neighbouring Sweden, which is? According to price comparison website Numbeo, Oslo is noticeably more expensive on staple products – especially those that are imported – than Stockholm. A 330ml bottle of imported beer is more than twice price in Norway’s capital than in Sweden’s.

The prices of course are not solely related to the amount of tax that Norwegian importers incur on products originating within the EU; Norway sets its own tariffs and enjoys a close working relationship with the EU as part of the European Economic Area (EEA), despite not actually being at the decision-making table. But in many cases, the variance in price outweighs the differing VAT regimes (Sweden’s rate of 12% on foodstuffs is lower than Norway’s 15%), representing a bad omen for the UK’s departure in 2020.

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