



Brexit: Trade, Healthy Eating and Obesity

June 2018

Executive Summary

The future of the UK's trading relationship with the EU and other countries remains uncertain. The Soil Association is concerned that future trade arrangements could pose three major risks to public health with respect to healthy eating and obesity:

- 1. Low-cost ultra-processed foods could flood the UK market**
- 2. Price volatility for fresh veg might result in reduced consumption**
- 3. Action to promote healthier diets and tackle obesity could be undermined**

Trade deals under World Trade Organisation (WTO) rules and bi-lateral agreements with the US have already resulted in negative public health outcomes:

- **Case Study 1:** The North American Free Trade Agreement has seen obesity rates rise significantly in both Mexico and Canada.
- **Case Study 2:** Attempts to introduce a labelling scheme in Chile are being challenged onto WTO rules.
- **Case Study 3:** In Samoa a ban on imported US turkey tails was overturned as a condition of joining the WTO despite public health concerns.

The Soil Association is calling for three principles to promote healthy eating to underpin all future trade negotiations:

- 1. The trade of food should promote public health** by making fresh and minimally processed foods more available and more affordable
- 2. Agricultural and trade policy must be aligned** to support British farmers to produce high quality food that benefits public health, the environment and animal welfare.
- 3. Procurement and trade policy must be aligned**, with public procurement used to stimulate demand for British produce, supporting British farmers to compete to supply high quality affordable food.

Introduction

The UK's exit from the European Union is approaching. Yet, the future of the UK's trading relationship with the EU and other countries is still uncertain. Such ambiguity is concerning since half the UK's food is imported: [30% coming from the EU and 11% from non-EU countries under trade deals negotiated by the EU](#). The specific terms of any trade deal agreed will have profound impacts on the future of our food system and, by consequence, on public health. Diet related illnesses were estimated to have cost the NHS £6.1 billion in 2014/15, with [over 60% of adults](#) in the UK and [1 in 3 children](#) leaving primary school either overweight or obese. A poorly designed trade deal could exacerbate these negative trends.

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For more info, contact Honor Eldridge, heldridge@soilassociation.org, Hattie Shepherd, hshepherd@soilassociation.org



This briefing looks specifically at the public health implications of trade in relation to healthy eating. With diet-related ill health and obesity on the rise, it is vital that the UK's future trade relationships allows the UK the ability to implement policies that deliver healthy food at a reasonable cost to all citizens.

Risk 1. Low-cost ultra-processed foods could flood the UK market

The [UK already has the most 'ultra-processed' diet in Europe](#), with 51% of the food we eat classed as 'ultra-processed', compared to 14% in France and 13% in Italy. A high proportion of ultra-processed food in the diet has been associated with obesity and dietary ill-health. Future trade deals have the potential to increase the production, availability, affordability and promotion of these foods in the UK. Removing barriers to foreign investment can allow multinational food companies and fast-food chains to expand and to introduce new and unhealthy products at low cost. A study from the Harvard School of Public Health [shows increases in obesity in countries like India and China associated with trade liberalisation](#). A similar trajectory could happen in the UK post-Brexit. The UK is already the junk food capital of Europe. Post-Brexit we could become the junk food capital of the world.

Case Study 1 - North American Free Trade Agreement

Following the adoption of the North American Free Trade Agreement (NAFTA) in 1993, obesity rates rose significantly in both [Mexico](#) and [Canada](#). [In Mexico, this is attributed to outside foreign investment and additional advertising of ultra-processed food, which led to an increase in the consumption of sugary beverages](#). The increase in obesity in Canada has been [attributed](#) to a sharp decline in the price of high-fructose corn syrup, which was then incorporated into popular ultra-processed foods, largely without consumer awareness. Once the trade agreement was implemented, the daily per capita supply of caloric sweeteners (including from high-fructose corn syrup) rose from [21.2 kcal](#) in the pre-NAFTA period to [62.9 kcal](#) post-NAFTA.

Risk 2. Price volatility for fresh veg might result in reduced consumption.

The UK doesn't eat enough fresh fruit and veg. In 2016 only [26% of UK adults and 16% of children](#) consumed the recommended daily five portions of fruit or veg with around 45% of adults and over 50% of children consuming less than three portions a day. The UK relies heavily on imported produce with only [54% of the veg and 17% of the fruit](#) consumed in the UK produced here too. The Food Foundation has found that [at least 33 of our 50 most popular fruit and vegetables will be directly affected by new trade rules with the EU](#). Fruit and vegetables could become less affordable for British households post-Brexit due to a combination of inflation, unfavourable exchange rates, alterations to the free movement of goods and services, the rising cost of seasonal labour, rising transportation and logistics costs, and a potential heavy tariff bill. The [EU Committee of the House of Lords has warned that Brexit is likely to result in an average tariff on food imports of 22%](#). While this would not equate to a 22% increase in food prices for consumers, prices paid at the checkout would certainly rise. Coupled with a potential flood of low-cost processed foods, this could make a diet of fresh and minimally processed foods less affordable, particularly for the most disadvantaged.



Risk 3. Action to promote healthier diets and tackle obesity could be undermined

Global trade deals

The UK is facing an obesity crisis which the Government has committed to tackle. However, if the EU and the UK do not come to a trade agreement, the policy options available to Government might be limited. If a new Customs Arrangement is not agreed, the UK trading relationship with the EU will revert to World Trade Organisation (WTO) rules on tariffs. This could undermine the UK's ability to introduce or extend voluntary initiatives that promote healthier eating, such as labelling of unhealthy products, and legislation, such as the Soft Drinks Industry Levy (Sugar Tax). It is possible that such measures could be challenged under WTO rules as acts of protectionism and, outside of a trading bloc, the UK would be considerably more vulnerable to foreign powers bringing a WTO case.

Case Study 2 - Food Labelling in Chile

In Chile the ready availability of convenient, packaged food has increased the consumption of ultra-processed food across all economic strata and in both rural and urban populations resulting in [67%](#) of Chileans over 15 years old being overweight or obese. The World Economic Forum [reported Chile](#) as the world's largest per-capita consumer of sugary drinks, at 188 calories per person per day, ahead of Mexico (157 calories) and the United States (158 calories). To combat this crisis, in 2017 Chile introduced a new nutrition label for all foods that exceed 275 calories, 400 milligrams of sodium, 10 grams of sugar or 4 grams of saturated fats per 100 grams. Products that feature these labels are not allowed to be advertised to children, cannot include toys and cannot be sold in or near schools. However, the [US Trade Representative has referred the Chileans to the WTO](#) saying that the associated delays from repackaging has cost the US firms 'millions of dollars' in lost sales and that the labels create an unfair barrier to trade.

There is already evidence of [US aggression in trade talks](#) towards countries that try to set their own regulations to reduce sugar consumption, limit junk food advertising or introduce additional food labelling measures. [Last year a report from the US trade department](#) classified such interventions as 'barriers to trade'. It is applying pressure, and in some cases threats of costly trade arbitration. This could result in the new UK Soft Drinks Industry Levy becoming a target of a WTO challenge.

Case Study 3 - Samoan Turkey Tails

In 2007, [75% of American Samoa was obese](#). To address the public health crisis, the Pacific island state acted to ban the import of US turkey tails. Prior to the ban, deep-fried turkey tails were a significant part of the local diet because they were cheap and accessible. The ban aimed to improve the diet of the nation. However, an issue arose when the Samoa wanted to join the World Trade Organisation, since under WTO rules countries and territories cannot unilaterally ban the import of commodities unless there are proven public health reasons for doing so. As a result, in 2013 Samoa was forced to [lift its ban](#) as a condition of joining the WTO despite concerns over public health.



Bilateral trade deals

The preliminary steps towards a bilateral UK/US trade deal are currently being taken.

Secretary of State for International Trade Liam Fox MP has [recently opened preliminary discussions](#) with US officials. Chlorine-washed chicken has featured in a plethora of press coverage, however the US has a host of less stringent regulations which, if allowed under a trade agreement, could undermine efforts to curb obesity and improve healthy eating in the UK. For example, the US is very resistant to making traffic light labelling compulsory. The Soil Association published a [policy briefing](#) that outlines the potential food safety risks from a transatlantic trade deal.

Three principles to promote healthy eating that should underpin all future trade negotiations:

- 1. The trade of food should promote public health** - future trade policy should set the ambition of making fresh and minimally processed foods more available and more affordable, particularly to children. Public health should be a core consideration of all trade negotiations.
- 2. Agricultural and trade policy must be aligned** to support British farmers to produce high quality food that benefits public health, the environment and animal welfare, and to ensure that British citizens can afford and access a healthy diet, rich in fresh and minimally processed foods.
- 3. Procurement and trade policy must be aligned**, with public procurement **used** to stimulate demand for British and locally produced fresh fruit and veg, ensuring that more of this produce is served in schools and hospitals, supporting British farmers to compete to supply British markets with high quality affordable food.

To achieve these three objectives, the Soil Association has been working with the [Trade Democracy Coalition](#).

The coalition urges the Government to establish a process that:

- Establishes broad principles for all trade policy aligned with [UN Sustainable Development Goals](#);
- Requires UK parliamentary approval of negotiating positions before formal proceedings start;
- Requires impact assessments, which are publicly available;
- Includes full and meaningful public consultation, including public hearings;
- Makes negotiating texts publicly available and allow for meaningful adjustments;
- Requires full parliamentary debate, with the potential to amend terms, with a full vote.