



Parliamentary Briefing on the Agriculture Bill 2019-2021

Background:

This briefing has been written to support Peers in their preparation for the next stages of the Agriculture Bill, which is scheduled to receive its second reading in the House of Lords on 10th June 2020.

In light of the COVID-19 crisis, the Fairtrade Foundation is calling for the Government to ensure that the **Bill takes in to account the needs of developing country producers throughout the pandemic and in recovery**. Many farmers and workers that Fairtrade works with are likely to suffer immense hardship throughout the crisis due to the loss of livelihoods and incomes. We expect to see a risk of poverty, health impacts and a higher risk of human rights violations.

Key messages:

The Fairtrade Foundation is calling for:

- **An approach to the Bill that supports smallholder farmers and plantation workers in our supply chains**, both during the COVID-19 crisis and in recovery. The Bill is an important opportunity to lay the ground work for “building back better” post crisis, **with a more resilient, sustainable and fair approach** in place so that we are **better able to face future shocks including climate related risks or the risk of a future pandemic**.
- **An *international* approach to the UK’s food security, with fairness and sustainable development at heart**. The crisis has revealed the **interdependent nature of our global food system** and the **importance of ensuring sustainable livelihoods for the farmers and workers who grow our food**. We would like to see the provisions in the Bill which set out a duty for the Secretary of State to report on food security every 5 years also consider ***international* food supply chains with a specific focus on the Sustainable Development Goals (SDGs)**.
- **An approach that incentivizes fair dealing and investment at farm level with a commitment to responsible business practices that are international in scope**, which will be vital in responding to the ongoing COVID-19 crisis. We encourage the Government to use the opportunity in the Bill to **ban unfair trading practices**.
- **A continued focus on supply chain transparency and accountability** with renewed consideration of the SDGs and human rights impact assessments as part of reporting requirements. The crisis helps make visible **the critical role businesses and retailers play** in global supply chains and **the importance of fair purchasing practices, workers’ rights and human rights due diligence processes**.

Why developing country farmers are vital to the UK's food security and sustainability agenda:

The UK currently imports 50% of its food from overseas, **10-15% of which comes from developing countries**¹. If the UK is to ensure food security during the COVID-19 crisis and climate crisis, the sustainability and resilience of the overseas supply chain must take centre stage.

The **COVID-19 crisis exposes the fragility of global supply chains** and the importance of ensuring sustainable livelihoods for the farmers and workers within them. The UK has a very important role to play in ensuring that the people who grow our food overseas get a fair deal and a sustainable recovery.

We may be seeing evidence that **fairer and more sustainable supply chains are more robust in the face of the crisis**. For example, **Fairtrade farmers and workers have been able to call on reserves from Fairtrade premium funds to set in place health and social protection measures to buffer, to an extent, the immediate impact of COVID-19** (though these funds will become quickly depleted).

Communities that have benefited from investment in housing, sanitation and healthcare are better able to face the public health needs arising from the virus. In addition, many businesses working with Fairtrade have been quick to see the need to support vulnerable producers and set supportive measures in place. Such supply chains may be better able to face the current crisis and be better placed to recover quickly.

The Fairtrade Foundation has argued that **living incomes should be central to policies**² in the agriculture supply chain if the UK Government is to **uphold its commitments to reduce poverty and tackle the climate crisis**. This is now more important than ever in responding to both the COVID-19 crisis and the threat of climate change. Smallholder farmers live on the front line of the climate crisis, and already affected by increasing droughts, floods and unpredictable, changing weather. Without living incomes, producers and farmers cannot invest in adapting to the impact of climate change or recover from COVID-19.

Consumer research consistently shows that **Fairtrade and sustainability matters to consumers**. 80% of consumers say that they care about Fairtrade, while 69% also say that they want to see more products in store³. Where their food comes from, and how it is produced, matters to the UK consumer.

The Fairtrade Foundation's policy recommendations:

- **An *international* approach to the UK's food security, with fairness and sustainable development at heart:**

The COVID-19 crisis has revealed the importance of our international food supply chains. The Fairtrade Foundation welcomes the duty set out in the Bill for the Secretary of State to report on food security at least once every 5 years. **We believe that this report should not only consider domestic production but also the UK's international food supply chains.**

¹ Based on DEFRA statistics of the origins of food consumed in the UK. Data for 2016 showed that 13% of UK's food imports originated from Africa, Asia and South America.

(<https://www.gov.uk/government/publications/food-statistics-pocketbook-2017/food-statistics-in-your-pocket-2017-global-and-uk-supply>)

² Please see our report on living incomes for Cocoa farmers:

<https://www.fairtrade.org.uk/~media/FairtradeUK/Resources%20Library/Fairtrade%20Fortnight%202019/Craving%20a%20Change%20in%20Chocolate%20-%20February%202019.pdf>

³ Market research commissioned for the Fairtrade Foundation, 2019

The UK's overseas supply chains are very vulnerable to disruption, as we have seen with COVID-19. There is poor investment in environmental sustainability, living conditions and human rights, and in farm productivity. It is our view that food security is only made possible by production which respects human rights and the right to a living income, to enable investment in climate change adaptations and recovery from the impacts of the pandemic. By meeting our moral duty to ensure fairness for farmers and farm workers, we also support the UK consumer interest in long-term food security, value and choice, and the global recovery from COVID-19.

➤ Under S. 17 (2) we are asking that the Bill make direct mention to sustainable development and the SDGs, including environmental sustainability, as part of matters to be included in the report.

- **A continued focus on supply chain transparency and accountability:**

We are encouraged by the introduction of measures in the Bill to increase supply chain transparency and measures for greater enforcement of reporting requirements (Pt 3, Ch,1, S. 21). We would like to see sustainable development considerations (poverty reduction, human rights, environmental sustainability) form part of such requirements. At this time of crisis, the SDGs remain a very useful, multi-dimensional framework and set of targets, shared across governments, private sector and civil society. Using the SDGs as a reference point could help in identifying needs, structuring and monitoring contributions to long term recovery from the pandemic.

The risk of increased human rights violations throughout the COVID-19 crisis is a high cause of concern, with job losses and increased poverty likely to lead to distress strategies, alongside of a lack of independent observation or inspection. Businesses, retailers and Governments need to work together to address the scale of the crisis including ways to strengthen the resilience of its food supply chains through the introduction of mandatory human rights due diligence for businesses and organisations. We would like to see the Government take the opportunity to strengthen human rights commitments as part of the Agriculture Bill, and for human rights impact assessments to be included as part of the reporting requirements, in line with good human rights due diligence (HRDD) practice.

The Fairtrade Foundation supports calls for enforcement of supply chain transparency requirements to be over seen by an independent body (S. 26). The Groceries Code Adjudicator (GCA) has shown, now more than ever, that a relatively small independent body with enforcement powers can be highly effective in securing positive behavior change from business and continues to play an important role in working with the groceries sector throughout the COVID-19 crisis. We welcome the continuation of Christine Tacon CBE as GCA for a further 6 months to provide reassurance to the sector.

We believe that the COVID-19 pandemic highlights the importance of this independent body and would like to see an extension of the remit of the GCA to cover farmers and producers further up the supply chain (moving beyond first tier suppliers to encompass primary producers who will be among the hardest hit by the crisis).

➤ Under S. 21, we would like to see sustainable development considerations (poverty reduction, human rights, environmental sustainability) form part of such requirements.

➤ Under S. 21, we are keen to see human rights impact assessments included as part of the reporting requirements, in line with good human rights due diligence (HRDD) practice.

➤ We support calls for enforcement of supply chain transparency requirements to be over seen by an independent body (S. 26).

- **An approach that incentivizes fair dealing and investment at farm level:**

The COVID-19 crisis has revealed the underlying power imbalances within many of our global supply chains and we urge the Government to continue to be mindful of the power imbalance between small-scale farmers, farm workers and large-scale retailers. Business decisions in response to the virus will have profound impacts on vulnerable people in UK supply chains. We are keen to see responsible business practices which could help cushion the blow for vulnerable people in the supply chain.

The Agriculture Bill is an opportunity for the Government to ban unfair trading practices (such as late order changes, late payments, arbitrary delisting, unfair charges) that, as we have recently seen in the impacts of the COVID-19 crisis on the garment industry⁴, can negatively impact on the livelihoods and jobs of vulnerable people in our supply chains. The practices have huge cost implications for small-scale farmers, and lead to high levels of unnecessary wastage of produce, at all levels of the food supply chain. This will help farmers both during the crisis and in recovery, plan and invest for the future, increasing food security, fairness and sustainability.

- We welcome provisions within the Bill to introduce fair dealing obligations on businesses purchasing agricultural products (S. 27) and are keen to ensure that this continues to cover overseas suppliers⁵.
- We also support calls for S.27 (1) to be made a duty not a power⁶ in order to protect all farmers from unfair trading practices in the supply chain. This would require the Secretary of State to make regulations for fair dealing obligations.

- **Learning from the impact of COVID-19 on our international food supply chains - supporting smallholder farmers and plantation workers in our supply chains both during the crisis and in recovery:**

The Fairtrade Foundation believes that the UK Government needs to coordinate a sustainable, international response to support the recovery of developing countries to ensure that supply chains become more resilient and sustainable, in line with the SDG's. Investing in resilient supply chains now will not only support UK food security in the long term, but better enable us to meet future global shocks such as new pandemics or the climate crisis

In the short term there is an **urgent need for a coordinated response to the crisis facing developing countries, and which is visible within the communities that Fairtrade works in**. Urgent needs include:

- **Measures to address the public health crisis**, by strengthening already fragile healthcare services, providing Personal Protective Equipment (PPE) and health awareness raising.
- **Provision of emergency support to protect jobs and livelihoods** and to provide social protection, to avoid widespread poverty amongst people who could otherwise lose their livelihood as a result of the crisis. A widespread loss of livelihoods without social protection

⁴ <https://www.retailgazette.co.uk/blog/2020/04/coronavirus-factory-workers-demand-50-price-cuts-from-retailers/>

⁵ As mentioned earlier in this briefing, the Fairtrade Foundation has previously called for similar protections for overseas producers in the UK food supply chain to be overseen by an extended GCA remit.

⁶ The Fairtrade Foundation supports an amendment under Clause 27 (1), pg. 22, line 4 to change the word 'may' to 'must'.

would also compound the public health emergency, removing the income to access health services and placing pressure on movement restrictions.

Finally, the UK's food supply chains will be strongly influenced by forthcoming decisions on the UK's **future trade policy**. The COVID-19 crisis is showing how communities around the world are all profoundly interdependent for the food and supplies that we rely on. Where there has been a failure to address poverty and environmental sustainability we now experience a shared vulnerability. Future wellbeing and shared prosperity for all needs to be built on a new commitment to fairness and sustainability in trade. We urge the UK Government to make sure that our **trade with developing countries puts poverty reduction, human rights and environmental sustainability first and delivers living incomes for all in the agriculture supply chain**.

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