

Date : 14 July 2016  
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## **BREXIT - SCOTLAND'S AGRICULTURE AND FOOD TRADE FLOWS**

NFU Scotland continues to produce a series of Briefings for members in the immediate aftermath of the referendum outcome. These Briefings have to date related to payments, compliance, etc., and possible policy and trading options that might be negotiated following the UK Government triggering Article 50.

What has been clear is that there is a lack of data and statistics relating to the trade flows agriculture and food between Scotland and the rest of the UK, EU Member States and non-EU nations. This includes a lack of evidence on imports and exports to and from Scotland for the main food commodities and imports and exports to and from Scotland for the main inputs to Scottish agriculture (machinery, feed, fuel, fertiliser, seed, etc.).

There is sufficient information on the trade flows to and from the UK and EU Member States and non-EU nations. However, for a better understanding of the potential implications for Scottish agriculture of any future trading arrangements a better picture of the current situation is required. This Briefing attempts to do that.

However, even within Scottish Government and the UK Government there is a lack of trade data on imports and exports for Scotland, particularly by commodity. There is lots at the UK level, but not for Scotland.

But there are some high-level statistics on the aggregate flows coming into and out of both Scotland's agriculture and food and drink sectors. This is derived from the Scottish Government's Input Output tables (based on 2012 data) and provides a useful high-level picture.

## **Agriculture**

- Total exports of £800 million, of which
  - £682 million exports to the Rest of the UK (RUK), and
  - £118 million to the Rest of the World (RoW)
- Total imports of £766 million, of which
  - £252 million imports from RUK, and
  - £513 million imports from RoW

## **Food & Drink**

- Total exports of £8,436 million, of which
  - £3,929 million exports to RUK, and
  - £4,507 million exports to RoW
- Total imports of £6,249 million, of which
  - £4,839 million imports from RUK, and
  - £1,410 million imports from RoW

Given that the data is a bit dated, it is worth sticking to the percentage shares of trade with RUK and ROW as these are unlikely to have changed significantly in the past few years.

For agriculture, RUK accounts for around 85 per cent of Scottish exports and about 33 per cent of imports. So RoW accounts for around 15 per cent of Scottish exports and 67 per cent of imports.

For food and drink, RUK accounts for around 47 per cent of Scottish exports and about 77 per cent of imports. So RoW accounts for around 53 per cent of Scottish exports and 23 per cent of imports.

It is worth flagging up a slight anomaly within these figures in that 'animal feed' is actually classified within the food and drink sector, rather than agriculture.

The figures show that Scotland exports around £94 million (£74 million to RUK and £20 million to RoW) and imports about £574 million (£548 million from RUK and £26 million from RoW). Given the scale of the imports, this is worth bearing in mind when trying to quantify the true scale of trade relating to agriculture.

Unfortunately, the Input Output tables do not provide a breakdown of trade with EU and non-EU countries. However, such figures for exports do exist from Her Majesty's Revenue & Customs (HMRC). Caution needs to be taken, as this is a different data source to the Input Output tables, but again it provides a high-level picture of the relative importance of the EU market for agriculture and food.

### **Food & Drink (including agriculture) from HMRC Data**

Food and drink exports to the EU were valued at £1,900 billion in 2015 – approximately 39 per cent of the total value of Scotland's overseas (non-UK) food and drink exports. However, when drink exports (dominated by whisky) are stripped out, food exports to the EC were valued at £724 million in 2015 - representing some 69 per cent (a good majority) of Scotland's overseas (non-UK) food exports.

HMRC does have data for Scotland broken down by broad commodity group (e.g. dairy, meat & meat preparations, cereals, etc). The necessary data can be pulled out from their interactive database at

<https://www.uktradeinfo.com/Statistics/BuildYourOwnTables/Pages/Table.aspx>