



Environment, Food and Rural Affairs Committee

Oral evidence: UK trade policy: food and agriculture, HC 162

Tuesday 21 November 2023

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[Watch the meeting](#)

Members present: Sir Robert Goodwill (Chair); Steven Bonnar; Ian Byrne; Barry Gardiner; Dr Neil Hudson; Mrs Sheryll Murray; Cat Smith, Julian Sturdy; Derek Thomas.

Questions 1 - 86

Witnesses

I: Robert Sheasby, Chief Executive, Agricultural Industries Confederation; Katie Doherty, CEO, International Meat Trade Association; Sean Ramsden, Director, Food and Drink Exporters Association.

II: Dr Phil Hadley, International Trade Development Director, Agriculture and Horticulture Development Board (AHDB); Balwinder Dhoot, Director of Sustainability and Growth, Food and Drink Federation; Dr Ludivine Petetin, Reader in Law, Cardiff University.

Written evidence from witnesses:

- [Agriculture and Horticulture Development Board \(AHDB\)](#)
- [Food and Drink Federation](#)

Examination of witnesses

Witnesses: Katie Doherty, Sean Ramsden and Robert Sheasby.

Q1 **Chair:** Welcome to the first of four sessions that the Committee is holding on UK trade policy, particularly as it relates to food and agriculture. On our first panel we have three experts, who are going to give us the benefit of their knowledge. Please introduce yourselves, starting with Robert Sheasby, who is an old friend of the Committee and an old friend of mine as well. Just explain who you are and why you are here.

Robert Sheasby: I am Robert Sheasby. I am the chief executive of the Agricultural Industries Confederation. That is the trade association that represents UK agri-supply inputs across the United Kingdom. We also still maintain a relationship with three European trade associations because of the importance of trade both with Europe and wider. We represent about £17 billion in terms of value of products from the farm gate as part of the £120 billion market in food and drink agri-supply.

If I may, Chair, we also work across five sectors: animal feed, arable marketing, crop protection and agronomy, fertiliser and seed. We supply products into farming. They are our largest customer. They are also our largest supplier, in that we buy outputs from them, certainly in terms of cereals and oilseeds. We are also the first stage of the agri-supply chain. If you do not have inputs, it is very difficult to grow something in any of the important parts of the food and drink sector in the UK economy.

It is worth saying that we also look after trade assurance schemes as well. Part of our business, AIC Services, ensures there is a confidence across the supply chain in the first rung, ensuring that combinable crops and feed materials are adequately and independently audited.

Katie Doherty: Good afternoon. My name is Katie Doherty. I am the CEO of the International Meat Trade Association. As a trade association, we perhaps sound more international than we are. We are very UK-focused. Our members are UK-based importers and exporters of beef, lamb, pork and poultry meat. We also have associate members that are part of the supply chain, such as freight forwarders and cold storage providers.

As a trade association, we are pro two-way trade. It is particularly important for the meat sector that we both import and export because UK consumers have preferences for certain cuts of meat, such as chicken breasts and lamb legs, but perhaps do not so readily consume some other parts of the carcass. We need to have export markets for those, such as chicken feet. We very much need two-way trade in the meat industry, and our members help to facilitate that.

Chair: All your members are UK-based companies.



Katie Doherty: Yes, they are UK-based importers and exporters.

Sean Ramsden: Good afternoon. I am Sean Ramsden. I am director at the Food and Drink Exporters Association. We are a fairly small trade association, but we represent most of the key exporters of British groceries, both manufacturers and intermediaries like wholesalers.

My day job is running my own business, Ramsden International. We are an international wholesaler of British groceries. We supply retailers in about 130 countries around the world and we represent 400 different manufacturers in the UK.

Q2 **Chair:** I see that you supply about 24,000 grocery products. That is quite something, is it not?

Sean Ramsden: That is right, yes, from over 440 manufacturers across the UK.

Chair: If I am in Abu Dhabi and I see a KitKat on the shelf, that is probably—

Sean Ramsden: I hope it is from me. It could well be from me.

Q3 **Chair:** I will start off the questioning. How coherent is the UK's trade strategy for food and agriculture? Could it be improved? We might start with you, Sean, as you are probably at the cutting edge.

Sean Ramsden: On the face of it, it does not seem to be particularly coherent, if I am honest. At the moment, there seems to be a focus on free trade agreements. We seem to have overlooked our main trading partner, the EU. Prior to Brexit, 50% of the revenue of my own company was from the EU. That is now closer to about 25%. Our sales dropped from £25 million a year to £11 million immediately after Brexit and are now £16 million thanks to the efforts we have made.

Q4 **Chair:** Which commodities would that be? Is that lamb?

Sean Ramsden: We supply virtually everything you would find in a British supermarket. We supply across all food and drink categories. At the moment, though, it is not viable for us to export anything with meat or dairy content because of the cost and complexities of getting that certified. We are not even able to offer a full range of products into the EU at the moment.

As I say, our model is to supply product from over 400 different manufacturers. Customers are able to buy one case per product as a wholesaler. The problem is that that one case now often requires a veterinary inspection and certification. It is £5 worth of product with probably £100 worth of veterinary inspection. The economics of that are completely broken.

Q5 **Chair:** Katie, we trade a lot with Europe on pork products. I know we eat different parts of pigs to the Germans and we bring a lot of beef in from



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Ireland. How coherent are the policies regarding the meat trade that you are engaged in?

Katie Doherty: In terms of trade policy, we are engaged with different Government Departments—the Department for Business and Trade and Defra.

There are three areas where we think it could be improved. We have been independent from the EU for a couple of years, and we have had some time to find our feet. Certain structures have been put in place, such as the trade advisory groups, but we are missing the join-up of Government Departments. We need better join-up of Government Departments, particularly Defra and the Department for Business and Trade.

We need better engagement with industry. The TAGs are useful and the consultations that we have before a free trade agreement is being negotiated are useful, but we need more granular-level engagement. We also need better knowledge transfer within Government Departments. That would lead us to having more of a coherent trade strategy, particularly in the food and meat space.

I will give an example. Free trade agreements are good, particularly thinking about things like tariff access. As a trade association, we welcome the commitment to trade agreements and the access that they bring, but, from an export perspective, veterinary market access is vital for the meat industry. From an export perspective, there is no point in negotiating an agreement where you have zero tariffs into a particular market without first having veterinary market access.

Defra is and always has been crucial in terms of opening new markets and making sure they have resourcing to get certificates to export different markets around the world. We would like to see more join-up between the Department for Business and Trade and Defra on that because we do not necessarily see that happening. We do not always have a free trade agreement and veterinary market access. Both parts of that jigsaw need to be put together in order for our meat exporters to be able to access different markets around the world.

Coming back to better engagement, as I mentioned, the consultation at the beginning, before having a trade agreement, is useful, but we are not seeing ongoing engagement with industry experts. The trade advisory groups are quite rigid and do not allow for the agility that we think negotiators and officials need in order to talk to different industry experts about what the opportunities and risks are. That is where we further need to develop in terms of UK's trade policy in order for it to move towards being more coherent.

We also need to consider other policy areas. We need to think about things such as the environment policy and agricultural policy and how



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those all fit together. At the moment, Government Departments are too siloed. We need to see better join-up going forward.

Q6 Chair: We are told that we have a number of trade specialists in embassies and high commissions around the world. Are those people effective? Do you engage with them? Is it worth doing that?

Katie Doherty: It is absolutely fantastic news that we have these agri-attachés. When I gave evidence back in 2019, I was one of many people saying that we needed agri-attachés on the ground so we could be like Denmark and Ireland and build relationships with the officials in different markets.

Now that the agri-attachés are in place, we would like to see more engagement with industry so they can be best equipped to be talking to markets about the particular cuts of meat we are exporting or want to be able to export. There was a press release yesterday saying that they are all visiting different parts of the UK food industry this week. That is exactly what we would like to see more of in terms of officials trying to better understand the industry.

Q7 Chair: Do you know whether there is anything going on with the Koreans this week while the President is here? Are there opportunities in Korea?

Katie Doherty: I know there has been the announcement. I do not know how that is joined up. I don't know; I am sorry.

Robert Sheasby: There is always opportunity to improve, and it is reflection that gives you the space and time to come to that view.

In terms of the trade strategy, we would far rather see an overarching and clear trade strategy for the UK that takes account of agriculture and agri-food in the widest possible sense. At the moment, it feels like we have entered individual free trade agreements. We set a strategy for those individual agreements, and then it goes very quiet. There is a real concern that we will have to re-enter negotiations.

We know that negotiations are dynamic and things happen behind closed doors. We know that other parts of the world are better at engaging commercial business in the depths and the heat of negotiation. We think there are probably missed opportunities or certainly opportunities that might have been overlooked by not having a closer partnership between the relevant Government Departments—principally, we would say, DBT and Defra—when they are in the heat of negotiation.

Q8 Chair: You often hear from the agricultural sector—I declare an interest as a farmer myself—that these deals are a threat rather than necessarily an opportunity. Maybe Sean could comment. Are there benefits both ways, or is it a case of signing deals with countries that have lots of cheap agricultural commodities that will flood our market?



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Sean Ramsden: The Food and Drink Exporters Association is really concerned with access to be able to export the wonderful products that are made in the UK. The wider consideration is about access in return for access to the UK. It is not really for me to comment on the implications for import, except to say as a general observation that trade tends to benefit economies and consumers.

Chair: It is often described as a rising tide that raises all vessels.

Sean Ramsden: Exactly, yes.

Q9 **Mrs Murray:** To what extent does UK trade policy align with domestic agriculture and economic policy and objectives?

Katie Doherty: This picks up on some of the points I was making. There needs to be a more holistic vision about broader policy and how it all fits together. Rather than the focus being on free trade agreements, it should be about how those fit into the rest of the picture. That does come with better join-up from Government Departments.

Over the years, Government Departments have been used to engaging with the Commission and the EU, but we need that holistic across-the-piece join-up across different Government Departments in order to think about how it impacts on our agricultural policy and the wider economic picture.

Q10 **Mrs Murray:** Do you have anything to add, Robert?

Robert Sheasby: To my mind, there are quite a few gaps here. Notably, we have our own high standards that our Government say they wish to apply to UK production systems, yet when they enter into trade negotiations elsewhere those do not necessarily seem to feature in quite the same way as they are applied at home.

Why does that present an issue? The issue is that, when it comes to trade, our members at the AIC are looking at where there may be export opportunities. If there is a divergence or a lack of clarity about what the UK wants to achieve that is incompatible with market access, it presents us with an issue.

One of the tenets we would like to pull back to is that the UK would really benefit from a very clear land use strategy in terms of what the country wants to achieve from the land asset that is available to it. That would give confidence to inward investment and it would give confidence to farmers to grow crop products that our members and others in the supply chain may well be able to look at exporting.

It comes back to the overarching strategy: what does the country want to achieve through land use and through its trade strategy? Joining those two up and linking this to domestic agricultural policy would seem to be a pretty good place to start.



Sean Ramsden: I agree with Katie and Robert. The only thing to add is that there is sometimes more value-add when the country exports processed food. Agricultural exports are extremely important, but when packaged groceries are exported, it is more than just the commodity that is being exported; the economy also benefits from the labour and the added value.

Q11 **Mrs Murray:** What opportunities are there for greater integration between domestic and international trade policy?

Sean Ramsden: Katie touched on this issue. Food exports seem to sit between Defra and DBT. We are in a strange position where exporting businesses have a DBT food and drink export specialist in their region, and yet the commissioners report into the Defra structure. If you are trying to export, it seems a very un-joined-up approach, to be honest. There are definitely opportunities in trying to bring that closer together.

Katie Doherty: I just want to add to that. Coming back to this idea of knowledge transfer, as a trade association, we have engaged over the last two years with lots of different officials. The challenge there is that each time you have to explain the basics of how your industry works. That is a barrier to deeper policy understanding and how it interacts beyond the trade space. It is not just join-up between Defra and DBT; it is also about the mechanisms for transferring knowledge so you can really understand where the opportunities might be for a sector.

Robert Sheasby: Sean and Katie have put it really well. That lack of knowledge that exists is okay because in industry we have that knowledge, but, if we partner with industry better, we can probably go much further and much quicker in finding new trade opportunities.

I probably should say that we would welcome the agricultural attachés, but we are probably thin on the ground. It is a slight aside, but just take the UK mission. We have a couple of people in Brussels representing UK Government in this area. The Norwegians have a delegation of over 200. The fact we have 25 agricultural attachés around the world is a step in the right direction, but we have a long way to go until they fully understand the full breadth of the agricultural economy and the opportunities it presents.

Q12 **Mrs Murray:** How effective is the UK at adapting its international trade policy in the face of international shocks?

Robert Sheasby: They have done very well. Clearly, the most recent example of that is Ukraine. That international shock meant that supply chains had to be rerouted substantially. Prior to that, of course, we had Covid.

I would say we did not know what our trade position was. There is a real issue here around data, the availability of data and the knowledge that Government have of UK stock positions. In the situation with Ukraine, it took until May for us to start to know what the UK's stock position was.



That lag period is like driving by looking through the rear-view mirror. We have to get to a place where the data is available in a much quicker way.

I look to other countries, some closer to home in Europe. They can turn that data around in a matter of weeks. They are aware and can make a trading decision based on hard fact rather than a summation. That is something that would really elevate our game, if we could get better data far quicker.

Q13 Mrs Murray: All three of you seem to be focusing very much on Europe. Do you have any comments to make about our trade policies with the wider world in relation to international shocks?

Katie Doherty: With Covid-19, one area where we perhaps could have been more agile is with regard to certification. Electronic certification is something that we need for imports from the EU, imports from rest of world, exports to the EU and exports to rest of world. The pandemic really showed the business case for needing to move away from paper-based documents.

We have seen things like the Electronic Trade Documents Act, which is good, but in the SPS commodities space we rely on health certification, and a lot of that still uses physical documents. There has been some progress in that area, but, for example, with the single trade window, the bit relating to SPS goods does not come in until later next year and does not necessarily marry up with when the import controls come in for imports from the EU. More could be done in terms of moving towards electronic certification. That would make us more agile in relation to potential future shocks that might happen.

Q14 Mrs Murray: Finally, Sean, do you have anything to add?

Sean Ramsden: No, not really. I completely agree with Katie's comments. The more we can streamline the processes of getting food exported or imported, the easier it is and the more that will flow.

Robert Sheasby: If I may come in on international trade, there are examples where we can definitely streamline the processes. I was talking to a member recently who was getting pretty frustrated about the speed at which phytosanitary certificates are issued. More than one member is frustrated with that. We think that could be substantially advanced, so that, when you are exporting bulk commodity by boat, say to north Africa, you could be in a position where the certificate is able to be prepared before the boat arrives portside.

It introduces significant and substantial cost if that certificate is not ready at the point the boat is ready to be discharged. That hampers UK business and it damages our reputation in third countries. They may wish to trade with us and want to buy our product, but they are not confident that we are going to have the right paperwork at the right time. It is about that commercial presence of mind. By working closer with industry, we think we could sharpen up there and start to be able to move.



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Speaking to the Chair's point, we could create a rising tide. If we start to create new trade opportunities, those countries will start to look more closely at the UK's wider offering, where we can do it successfully. We can only do it successfully if we are commercially minded and can turn around the regulatory paperwork in a timely fashion.

Q15 Chair: I have been to Felixstowe and seen goods coming in from right across the world. The documentation is ready, but they have had weeks in transit. How would that work with the short Dover-Calais crossing, where the goods are in smaller units on trucks? Is it possible to have a smooth streamlined system that would allow that trade to happen, particularly if they are carrying meat or plant products?

Robert Sheasby: That is probably a question to Katie about meat. If I may, on bulk commodities, not much goes across the short straits in terms of bulk, but it does go across the North Sea into the Low Countries, into the Netherlands. We send quite a lot of products into the Netherlands for transshipment, but we also export into north Africa. The travel time is slightly longer, as in it is measured by days, but we still seem unable to turn around the paperwork in the time before a boat departing UK waters arrives at its destination.

Q16 Chair: Is that a UK problem?

Robert Sheasby: It is a UK problem. We need to support Government and their agencies to recognise that there is a commercial cost to not turning around the paperwork in a timely fashion. This could boost confidence. Those third countries will think, "I want to trade with the UK. When the boat arrives, I can discharge it, get it through my distribution networks and there's no issue". If I have ordered it and the paperwork is not right, and I needed it in my just-in-time supply chain in that third country to be ready to move through the supply line, it will not happen because it cannot be discharged because the paperwork is not right.

It is those simple little things. It would not cost a great deal, but it can make a massive difference to confidence. It would also support those agricultural attachés around the world who are trying to find their foothold to enter new market space. Perhaps I will let Katie speak to the short straits.

Katie Doherty: Having fully electronic health certification is something we have been talking about for years and years in our trade association. That would genuinely really help to speed up processes and avoid errors that can be costly in terms of documentation. When you have the short straits, that is the most focused point.

Chair: Using the wrong coloured ink is one we picked up at the start.

Katie Doherty: That is a very good example.

Chair: It is barmy.



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Katie Doherty: Yes. We need to make sure the various initiatives in the different Government Departments moving towards electronic certification are happening as quickly as possible. That is really what we would like to see.

Chair: That sounds like the first recommendation this Committee may be looking at making.

Katie Doherty: That would be great.

Q17 **Barry Gardiner:** I just want to pick up on that, Mr Sheasby, so we are absolutely clear. The vessel arrives portside at destination. From what you have said, I understand that it is unable to discharge its bulk cargo and it is stranded there. Can you perhaps provide the Committee with the average delay in days that these vessels are stranded?

We do not just want to make a recommendation; we want to back it up with some pretty trenchant cost estimates based on the demurrage. You are talking about the charter hire of the vessel, and you are talking about the impact on the receiver.

Robert Sheasby: Yes, and the demurrage charges as well.

Q18 **Barry Gardiner:** Yes, and the demurrage charges as well. If you could give us a real handle on the time delay and the cost delay that is happening, that would be really helpful.

Robert Sheasby: It can take a week or more, depending upon the length of the delay. It is really hard. It can depend upon the port you are going to and the sea conditions to get there. It can take up to 10 days for the certification to come back. Despite the best endeavours of people to ensure that they are planning in advance, you do not always know when an order or a boat will arrive.

You have to act quickly. Members will tell us that there are instances where they have seen people put on a flight to get the paperwork to the right destination in time. That is not the real cost. The real cost is the demurrage charge. Those are well into five-figure sums. That dents the profitability and the confidence in trading with the UK.

If I may, perhaps I could go back to some of our members who do have that trading knowledge day in, day out, and try to produce an aggregated figure for what that looks like and exactly the cost.

Q19 **Chair:** You could also give us specific instances, if the people would rather that information is kept confidential from a commercial point of view. That would be helpful.

Robert Sheasby: I will check with our members. As you might appreciate, there may be some sensitivities to it. It is a frustration voiced by more than one of our members.

Q20 **Barry Gardiner:** I wanted to talk to you about international



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comparisons. You have told us that our trade strategy is not coherent. You have said that our trade policy is lacking a holistic vision and that the high standards we are applying domestically are not then applied and incorporated into the trade agreements. You made the specific point about how it would help to have a land use strategy.

All of that is the context in which I want to ask my question. What could we learn from other countries and from our trading partners? How do they do things better? What are the ways in which they manage to get a more coherent strategy and a more holistic trade policy.

Robert Sheasby: Some of it is down to experience. We are relatively new to the game of negotiating free trade agreements. Others around the world are substantially more experienced. I know we have sought experience within Government, but I am not necessarily sure that we have understood the message we have been given and the strategy that we could adopt.

When it comes to live trade negotiations, when we were in the midst of the New Zealand trade deal, an old friend of mine messaged me about what was coming forward in the New Zealand trade deal the following day and what options they thought looked sensible for balanced trade between New Zealand and the UK. I have signed an NDA with our Government, yet throughout every trade negotiation, bar the occasional update, nobody has approached me on specific negotiating points once the strategy has been agreed and they have entered into the negotiation.

Other countries around the world collaborate way more closely with the industry to ensure that the civil servants have the best possible knowledge to make the most informed decision at that point in the negotiations. I fully accept that ultimately there is a political decision to be taken on a negotiation, but we could learn from those countries where that greater partnership exists between industry and Government to secure the best possible trading terms in any trade agreement.

Katie Doherty: I would back what Robert has just said 100%.

Q21 **Barry Gardiner:** Let us try to break it down into some of the other countries we deal with. For example, New Zealand has a dedicated FTA outreach mailbox for direct comments on any aspect of actively open FTAs. Is that something you would like to see replicated in the UK?

Katie Doherty: That could be useful. It is that ongoing piece about the discussion with industry and wider stakeholders in the granular detail that is needed on these key points of detail within FTAs. With trade, the devil is in the detail.

Q22 **Barry Gardiner:** In fact, New Zealand also operates a series of in-person public consultation meetings and trade roadshows across the country. Again, would you like to see us adopting that? I am asking these questions in a very directional way because I am trying to get out of you some recommendations that we can incorporate in our report.



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Robert Sheasby: Accessibility to the opportunities would be really welcome. That could be a traditional roadshow, taking a team around the country and stopping at every other market town or whatever to work out what local business wants, but that might not be the most effective way to engage business in a post-Covid era where we are using digital means a lot more.

There has to be a better way of doing it than what we are doing currently. On the DBT website there is a place—it is not necessarily the easiest page of the website to find, but I appreciate that websites can be broad—where you can ask questions, but we need to ensure that those who are going to be picking up the questions from those standard email inboxes have the knowledge and understanding of the question to be able to answer competently to support the business.

We fully accept that none of us knows everything about everything, but those people need to be confident enough to say, “That is a new question”. If it is about access to a new market, we need to work together to find a way to ensure we grow the knowledge and produce that rising tide we talked about earlier.

Q23 Barry Gardiner: Australia has a website, which they have open for each trade negotiation, where they actively encourage people, while the negotiation is going on, to keep submitting into that and then they respond. You say it is difficult to find the right place on the Department’s website, but it is not open during the whole period of the negotiation, is it?

Robert Sheasby: No. I am not 100% sure about that, but my understanding is that it is more designed for when you are trying to enter a market somewhere. At any time you can just send an email to that inbox saying, “I would like to access this market with this product. What do I need to do? How can you help?”

Q24 Barry Gardiner: Yes, but that is not contributing to the ongoing dialogue that Ms Doherty was talking about, which is necessary to get that fine granular detail about the negotiations and to get it right. In America, the Agricultural Policy Advisory Committee has 40 people from business and other relevant sectors involved in it. Would you like to see something like that adopted in the UK?

Katie Doherty: It has to be two-way. Where it is developing, you need that new information about what is going on so that you as industry can comment. Having a closer ongoing relationship like that could be useful. There could also be a register of wider experts than those who are on the trade advisory groups, which would allow negotiators to reach out to industries.

That would not necessarily involve disclosing anything sensitive about the negotiations, but it would enable the negotiators to understand how an industry works in a particular way in order to better inform their



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negotiating. It does not have to include the detail of what is going on, but just understanding better—

Q25 **Barry Gardiner:** The example you gave the Committee earlier about making sure you have in place the veterinary certification that is appropriate for the country is a very good example of how a problem could have been overcome, had that dialogue been available.

Sean Ramsden: There does appear to be a lack of engagement with industry. There is a new Food and Drink Export Council being formed. I am reliably told that it has not yet been asked to input onto specific trade policy. I am told that the Canadian negotiators are mandated to spend a certain amount of time visiting businesses asking what they need. That is certainly not happening here. The Mexicans take their trade delegations with them to the negotiations in the next room. Again, that is not happening.

Q26 **Barry Gardiner:** Would you like to see it happening?

Sean Ramsden: Absolutely, yes.

Q27 **Barry Gardiner:** Can you give us any examples, other than the one you have given, Ms Doherty, where having that sort of interaction really could have transformed things and actually avoided problems that we have then run into?

Sean Ramsden: There is a focus on trade negotiations being about the elimination or reduction of tariffs. If you ask virtually any exporter, it is not the tariffs; it is the non-tariff barriers. It is the technical and the regulatory stuff time and time again, certainly in my company's experience.

There was a big song and dance made about tariffs coming down by 5% from one of either Australia or New Zealand. If you ask any exporter, they see currency fluctuations of 5% week by week. It does not really make that much difference. We need to ask the exporters, "What are the technical barriers to getting into these markets?"

Barry Gardiner: We need to focus on the non-tariff barriers.

Sean Ramsden: Yes, absolutely.

Q28 **Chair:** I suppose an exception to that might be Scotch whisky, where you see very large tariffs. The tariff is 150% in the case of India. Many jurisdictions around the world have very high tariffs, and it is our biggest food and drink export.

Following on from what Barry said, when we are in the middle of trade negotiations, we are not just talking about agriculture. We have pharmaceuticals, financial services, insurance and motor cars. Is it the case that the UK does not see agriculture being as important as some of the other countries we may be negotiating with, for whom agricultural exports are a key part of their economy?



Sean Ramsden: Inevitably there are going to be trade-offs when you are looking at a holistic picture in an agreement. It is fair to say that agriculture probably is of less importance to the UK economy than it is perhaps to the Australian or Irish economy. As a food exporter, I would hope we are not being sort of sacrificed in favour of financial services, but I would not deign to say that we are or not.

Q29 **Dr Hudson:** I wanted to get onto the border target operating model. Now we have left the European Union, there is a new approach. The border target operating model, published by the Government in September of this year, sets out a new approach to implementing controls at the UK border for imports and looks very closely at biosecurity issues. Perhaps if I could start with Robert, are the requirements and operational implications of this border target operating model fully understood by the agri-food sector at this point in time?

Robert Sheasby: The short answer is no.

Q30 **Dr Hudson:** If that is the case, what action needs to be taken to make sure our sectors are cognisant of it and working with it? It is such an important policy for our industry and for protecting the nation's biosecurity. What can be done?

Robert Sheasby: It is about reawakening their confidence that, this time around, the target operating model is going to be implemented. That is a concern we have heard a number of times. I have heard that from partners in Europe and elsewhere around the world. Lots of businesses here and around the world have invested time in ensuring they were ready and then, for a variety of reasons, the target operating model has not been introduced at that particular time.

We need to ensure that business has clear instructions. We need a well-defined webpage and a clear document. We could have sector-specific webinars picking out particular agri-food issues. When it comes to phytosanitary, for example, it is really important to ensure everybody has an understanding of the requirements. That way, business will go into it in the best-informed position.

We also need to deliver it at the time we think it is going to happen. It does not enhance our reputation when we keep changing the deadline at which we wish to enact our own border control mechanisms.

Q31 **Dr Hudson:** Thank you. That is helpful. We will be writing a big report at the end of this major inquiry, but that is quite helpful. The time is upon us to make interim suggestions to Government as to how they could help the sector further. That might be something we can take forward as a Committee. Katie and Sean, do you have anything to add on that particular issue?

Katie Doherty: Yes. The BTOM has been a big area of our work in recent times. I would pick up on the point about EU-side readiness. That is a concern for our members because the deadline has moved a number of



times. There is still some very crucial missing detail that make it difficult to believe it is going to happen on 31 January. Not having the detail about the frequency of checks from April, for example, makes it less believable that it is real this time around. We need to see the granular-level detail on what the frequencies of checks will be from April next year.

We also have not seen the outcome of the consultation on charging in land border inspection posts. Again, our members would like to see that detail. We understand that the pre-notification of imports is going to come in from January, but we do not know whether that is going to be 24 hours or whether there is going to be a derogation. Again, particularly picking up on the point about the short straits, it is quite crucial for that not to be 24 hours, from our members' perspective, because it is not very feasible with the short ferry crossing times from France and the Netherlands.

We do not know which ports are going to offer which derogations. That is really important for our members to be able to plan their business. Firms need to know when the vet is appearing on the other side to sign the export health certificate, what the business operating hours are and when they need to pre-notify. All of that impacts back through the supply chain. They do not have that detail now for 31 January. We are in late November. That is causing our members some concern about how they can be ready for the end of January next year.

We are also keen to see that on the EU side its system is ready with all the certificates loaded in the relevant languages they need to be in. There continues to be concern from our members around the veterinary capacity on the EU side for signing certificates. That has been an issue all the way through.

Q32 Dr Hudson: As stakeholders, do you feel you are still around the table and able to input into Government your potential concerns and suggestions moving forward in this short timeframe ahead of us?

Katie Doherty: There are some excellent officials that are working in this space. We will be continuing to feed in our concerns and the areas we think need to be resolved, but there is a very short timeframe. Our members have to adapt in that timeframe.

Sean Ramsden: Until there is a robust import regime for food and drink from the EU to the UK, there will not really be any sensible leverage. The EU has made exporting British food to the EU as difficult as it possibly can, hence our absolute plummet in the volume that is being moved. The UK, for reasons most people probably understand, has simply waved European food into the UK without very many checks or formalities. This asymmetry means the UK Government have no bargaining power with the EU to have a sensible arrangement for the benefit of consumers on both sides of the Channel.

Q33 Dr Hudson: If you are still feeding back your concerns to the



Government on that, given what you know so far in terms of what has been published, how effective will the border target operating model be at supporting and upholding food standards and, very importantly, biosecurity in this country? How much confidence do you have?

Robert Sheasby: You have to believe it will be delivering to protect the GB economy. We have concerns about trade efficacy, as we have touched on, and understanding. The checks that were made earlier this year—there was a spot check on a number of trucks on the short Dover straits that had material coming in—did not inspire confidence that everybody in Europe is abiding by the rules when they are sending vehicles to the UK.

When it comes to animal health, that will be a real challenge. That is not my immediate concern. The impact of an animal health problem in the UK has a very real impact in particular on the feed sector and other sectors as well.

Q34 **Dr Hudson:** The important thing to remember is that we have the opportunity to get this right. Now we have left the European Union, the UK has an opportunity to strengthen our controls, and we will be doing more checks than we have done in the past. It is important that stakeholders work with Government to enhance protection. Would you agree with that?

Katie Doherty: I agree that biosecurity is absolutely fundamental because we need to protect our domestic sector and our exports. As a trade association, we have welcomed the fact that the controls are to be more proportionate, but we have not necessarily seen any of the detail around the risk assessment that goes behind that. That is really crucial to make sure, where you are targeting the checks, those are robust. That is key for us, and we have not seen that detail.

This is a question to which I do not know the answer, but the new UK Office for SPS Trade Assurance has taken on the role of DG SANTE F, where it will go out and inspect countries around the world. It will be important to see that they definitely have the resourcing they need to do that job. They are going to be important for the UK going forward. I do not know the answer as to their resourcing, but that would be important to look at.

Q35 **Ian Byrne:** I want to touch on the impact of FTAs, certainly the Australian and New Zealand ones. In June, *The Independent* wrote that Liz Truss was told by one of the Australian negotiators, "Your boss has conceded the whole kingdom".

If we look at some of the evidence within our packs, Quality Meat Scotland's submission highlights ongoing concerns regarding the impacts of the Australia and New Zealand FTAs and comments that "there is real concern over the long-term viability of UK beef and sheep production because of the expected influx of Australian meat". The UK Business and Trade Commission commented that they have "found recent trade agreements, such as the UK-Australia/UK-New Zealand FTAs, have



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hugely contributed to uncertainty and apprehension among the UK's agri-food sector". The NFU has said there is huge concern that exporters from Australia and New Zealand have much more opportunity.

I will go to you first, Robert. Has the agri-food sector identified or sought out any significant commercial opportunities since the free trade agreements with Australia and New Zealand came into force. If so, what have these been?

Robert Sheasby: It is probably too early to say the true extent of any major trade opportunities. I know the seed sector and the herbage sector have talked about opportunities for innovation in grass seed. Those are important and valuable trade opportunities, but they do not necessarily match perhaps the scale of market access that there might be, over the time period of that FTA, for other livestock producers coming out of Australia in particular.

We are some way off knowing the full impact of that FTA on UK agri-food. It will be dictated by exchange rates and—

Q36 **Ian Byrne:** You say "the full impact". Is there any impact at the moment? Have we seen anything, thinking about some of the evidence that has been given?

Robert Sheasby: I cannot sit here and say that I have evidence one way or the other. At this stage, it is too early to say there has been any material change.

Katie Doherty: I would agree that it is very early days in terms of the FTAs. We are pro two-way trade as a trade association. We do really need imports as well as export markets. Australia and New Zealand have been dependable suppliers of meat to the UK for many years, since 1895, when the first frozen container of meat came over from New Zealand.

I would point to the New Zealand sheep meat quota that has existed for many years. It is about 114,000 tonnes. That has never been filled. With free trade agreements and the access that has been granted, it does not mean we are suddenly going to get a flood of imports, for example. What it does mean is that there are opportunities for manufacturers to use inputs. Imports are important in terms of the catering sector, food service and manufacturing.

We are not self-sufficient as a country. We absolutely need dependable sources of imported supply, which Australia and New Zealand provide, as well as places we can export to for the cuts that UK consumers do not favour so much.

Sean Ramsden: It is still early days, as my colleagues have said.

Q37 **Ian Byrne:** Is there any early analysis yet?

Sean Ramsden: We do not have any analysis, to be honest, no. They were big markets for British food prior to the agreements. Not enough



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has been done by the Government to say, "We have done this. Therefore, it means these products or categories are going to be cheaper". They have not communicated the real-life benefits to the exporting community.

Q38 Ian Byrne: To what extent have these agreements created more competition for UK agri-food businesses?

Sean Ramsden: Do you mean competition within the UK?

Ian Byrne: Yes, but also outside.

Sean Ramsden: I am representing people who are trying to sell British food into the Australian market. I could not really comment on what is coming from Australia into the UK.

Robert Sheasby: I am not picking up any major changes in trade flow in agricultural commodity products as a consequence of the FTA. Perhaps I had better take that question back and check with our members. It was not something I explicitly asked. If it were something that was happening, I would anticipate our members would be talking about it. As Katie said, trade is two-way. The UK needs to export agri-food as much as it needs to import it.

Katie Doherty: Australia and New Zealand are very good examples of places that have access to lots of different markets for their exports. The UK is only one of many markets that they have access to. We need to be focused on looking at our trade policy holistically, going back to the beginning, and where we have veterinary market access for our exports, and we need to balance that against what comes within free trade agreements. Rather than focusing specifically on one free trade agreement, we need to look holistically.

Q39 Ian Byrne: Just to finish, you might not be able to give me an answer to this because you are talking about early analysis and not really seeing any changes. I will stick with you, Robert. What market access issues should the UK Government be raising in the SPS committees that are being set up as part of these free trade agreements? Is there anything that should be raised now? Are there any lessons that we should learn?

Robert Sheasby: One bit we have picked up on about export opportunity is duplication. I am just checking my notes, but there is a perception that there is a need to do supplementary checks when exporting to Australia. I do not have more detail in the note in front of me, but that was a very clear piece of feedback. They felt there was duplication in the paperwork requirements. Maybe it was misunderstanding; maybe there is an opportunity to simplify when it comes to trade opportunity.

Katie Doherty: I would just make a general point. The SPS committees only tend to meet once a year. We need to evaluate whether that is the right vehicle to address particular market access barriers or whether



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existing mechanisms might be the best. I do not have a specific example, but I just know that they do not necessarily tend to meet too frequently.

Q40 Chair: Just following on from that, we have seen quite a dramatic reduction in lamb numbers in New Zealand anyway, as they have gone into carbon trading in a big way and planting a lot of forestry. I get the impression they do not really see a future in selling a lot more lamb here, given that they have never filled the quota they have already. There is an issue with carcass equivalents and some beef from Australia, where the deal allows a bit of cherry-picking of some very high-value cuts, which would have a disproportionate effect on our market. Am I right in saying that?

Katie Doherty: I know certain people have commented about that potential. The Australia trade agreement does allow for a broader range of cuts than historically have been able to come in under particular quotas. That is not necessarily going to be the case. It is just another opportunity for a different consumer choice. It is theoretical. We have not necessarily seen that. It is early days.

Q41 Chair: The only real change we have seen with New Zealand is more white wine coming in or more wine generally, which is maybe no bad thing. It is not something that will necessarily impact on our own domestic producers, which are small-scale.

The other issue is animal welfare. We have made it clear that we do not want to have goods coming into our market that do not meet our high standards. New Zealand has banned the process of mulesing, which is not a very pleasant thing, but Australia is still doing that. They gave us an assurance that this was only for wool-producing merinos and not for meat producing sheep. When we sign deals, should we be a bit more careful about looking at animal welfare and things like, for example, free range versus battery eggs from places like Mexico in future?

Katie Doherty: There is an opportunity, in that these agreements can allow for better dialogue between trading partners. I know there are animal welfare chapters in some of the FTAs. That facilitates a dialogue and an exchange of best practice in that space, which could see more collaboration in that space and internationally through FTAs.

Robert Sheasby: If I can take it a bit beyond meat production, oilseed is a good example. Our domestic policy around the ability to grow oilseed rape has been impacted substantially. Our planted area is substantially down on where we were in 2012, for example. Our imported quantities have gone up to meet, pretty much, the loss of UK production. There is an example of a Government policy with a good intention, where perhaps one of the unintended consequences is that we have exported our production to another part of the world and we are bringing that product in for processing to meet market demand.

That is an example of where Government policy on environment or land use is not coherent with trade policy. We are giving opportunities away



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when we could be fulfilling that demand and further adding value to the balance of trade in the UK.

Chair: Yes, it certainly happened with dry sow stalls, which we banned, and to a lesser extent with field crates as well, where the calves were just export to Holland for the same process.

Q42 **Cat Smith:** Flowing from that, to what extent do the UK's recently agreed trade deals create precedents for its future agri-food trade policy? Robert, do you want to start on that?

Robert Sheasby: If I were any other third country in the world, I would look at the first deals the UK had struck and say, "That is what the UK expects, and I expect to build on that". That would be my worry. It puts us in a weak starting point with other countries, if we have not got it quite right the first time around.

Be that as it is, that is where we are. Surely, we will have to work doubly hard to make sure any future trade deals do the very best possible job for UK trade. I would echo Katie's words: trade is two-way. You cannot have a one-way trade deal. It has to be beneficial to both parties, but it has to be equal across the sectors of the economy that you value.

For us, UK food and drink, the agri-food supply side, is a very large and valuable manufacturing sector in the UK economy. Why would the Government not want to support the jobs and the export potential that we believe exists, if we get the policy right?

Q43 **Cat Smith:** How difficult would it be to differentiate from where we are now in future negotiations?

Robert Sheasby: I am a glass-half-full person. There is always opportunity. In some ways we are going back over ground that we have talked about. It is about working really closely with industry to spot the opportunities.

When we are in the depths of a negotiation and overnight we have option A or option B to return to the next morning in the chapters on agriculture or the areas around the trade of agriculture products, we need to make sure we are making the best decision by engaging businesses that are familiar with exporting, importing, growing and producing those products. We have to make sure we have the most informed commercial choice through talking to the trade association. They can bring you overnight answers back to those questions so that we get the best possible outcome.

Q44 **Cat Smith:** Katie, is that something you would agree with?

Katie Doherty: Yes, it is about the development of that intricate knowledge about the sectors. The sectors might have different views as well. We are not homogenous. We might have different views. We are more focused on two-way trade than perhaps others in the sector are.



Q45 **Barry Gardiner:** Robert, you were saying that we are starting from a low base and we need to try to build on that. Other countries develop, with their Parliaments, a trade mandate. That is something they have so that the other side of the negotiations knows that there are certain things it is not even worth asking for because it is in the mandate that they have to achieve X, Y or Z.

Would it be helpful if we were to have a structure of trade that allowed for Parliament to set out, in the way that other countries do, a mandate for the negotiations so there is that high aspiration built in, which the negotiators cannot then go below?

Robert Sheasby: It would give clarity. The point is that in any negotiation you want to know you have some space in order to move. If you can see a gain, you do not want to be held to a red line and you lose something better. Being very clear on the potential that we believe could be achieved by agri-food in this instance and understanding where there is scope to flex around that, where it is of benefit, through engagement with industry would seem like a very sensible way to progress.

Chair: Thank you very much indeed, panel 1, for your evidence, which has been very helpful and useful.

Examination of witnesses

Witnesses: Balwinder Dhoot, Dr Phil Hadley and Dr Ludivine Petetin.

Q46 **Chair:** Welcome to our second panel in today's session. Could the three witnesses please introduce themselves, starting with Dr Petetin?

Dr Petetin: I am Dr Ludivine Petetin. I am a reader in law at Cardiff University in the Wales Governance Centre. I am also a member of the ESRC's Centre for Inclusive Trade Policy.

Balwinder Dhoot: I am Balwinder Dhoot. I am the director for sustainability and growth at the Food and Drink Federation. The Food and Drink Federation represents the food and drink manufacturing sector, which employs around 500,000 people. It is the largest manufacturing sector in the UK.

Dr Hadley: I am Phil Hadley. I am the international trade development director with the Agriculture and Horticulture Development Board or AHBD. We are not a trade association. We are a levy board with four levy sectors: cereals and oilseeds, dairy, the beef and lamb sector and the pork sector. My team and I are very focused on export trade and growing opportunities for our levy payers' products.

Q47 **Chair:** I will probably start with a similar question to the first panel. Do the UK Government have a coherent UK trade strategy for food and agriculture? How could it be improved?

Dr Petetin: Thank you for the question. There is no holistic strategy from the UK Government. All we can see is different documents,



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especially on exports, for instance. We have seen some declarations being made after the Farm to Fork summit earlier in the year. This is not helping set the scene for companies across the UK.

That is really having an impact in terms of what objectives everyone should be looking at in terms of what we want UK trade policy to look like in relation to animal welfare and environmental standards. This is really shown in the treaties we have so far.

I also want to say that the Australian treaty, the New Zealand deal and the CPTPP amount to a liberalisation of trade policy. This is all about free trade. This is something we need to bear in mind. This is a massive change for farmers and the agri-food industry. We are coming out from the highly protective wing of the EU. The EU was all about agri-food exceptionalism, with high tariffs for anyone who wanted to import into the EU and big exporting markets that were available to us.

This is a big change. The preferential market access that has been given in the different agreements is going to take a few years. It is still 10 or 15 years down the line, but it is going to have a massive impact on the agri-food industry as a whole. It is not something that is going to change overnight, but it will be a big change down the line.

Q48 Chair: At the same time as we are attaching more strings to agricultural subsidies, we now have more opportunities for free trade, which could mean that imports are putting pressure on domestic producers.

Dr Petetin: Indeed, yes. We are looking at the agricultural reform across the four nations. This is great; don't get me wrong. This is really to be embraced. It is something really positive. When we look at all the policies that have been put forward across the four nations, it is all about environmental standards and supporting farmers. At the same time, we are changing the way we trade. This is putting a lot of pressure both domestically and internationally on our farmers.

Q49 Chair: Could it also open up opportunities to help developing countries to have access to our markets? We are very keen to give overseas aid to some of these countries but close our markets to them. Are there ways for us to have cheaper food on our shelves, particularly some commodities that we cannot produce ourselves?

Dr Petetin: Yes, of course, but, as I said, this all takes time. You cannot build a supply chain overnight. You need to have support both for us to export and for importers. It will take time. As was mentioned in the previous panel, it is good to have all those attachés, et cetera, but we need more help and more support in terms of funding and resources for the industry to grow all those possibilities in these new deals.

Balwinder Dhoot: In terms of strategy, there is not one for agri-food that we are aware of or that we have seen. You could argue that signing lots of trade deals quickly is a strategy in itself. We would like to see more of a strategy around that.



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We do not think of trade strategy just as exporting. We see imports as a key part of that. We need to bring in products that we do not produce domestically to diversify supply, process those products and support the manufacturing sector. Investment is also a key part of that. We need to attract investment that will grow the domestic sector, help consumers here and increase trade and exports.

The key to this, probably quite fundamentally, is the domestic policy landscape. You might be trying to boost trade with one part of your policy while carrying out domestic policies that lower investment and hinder exports. We have some examples of that. If there is no join-up, you are eroding your trade policy with your domestic policy.

Q50 **Chair:** In the first session, Mr Ramsden was saying that things are more difficult with the EU than they were, particularly if you are looking at products containing meat. Globally, do you have members who think it is great news that we have just signed a contract with Australia, New Zealand or elsewhere because we have more liberalised trade, or is that still in the pipeline?

Balwinder Dhoot: On the previous panel, a lot of people said that it was too early to say. That is predominantly the picture. There is an example of someone bringing in sugar from Australia. There was a poor beet harvest, so we were able to tap into the global supply for that. That is a result of the FTA. That is a benefit.

There are other things that are going on. We may come on to this and expand on it. We support the Windsor Framework, but in addition to the Windsor Framework the Government are unilaterally mandating "not for EU" labelling on products made in GB, whether they are going to Northern Ireland or not.

Fundamentally, that will mean that, if you are exporting to Ireland and that is your business model, you either have to have a separate product, which is very expensive, or stop sending goods to Ireland. The implementation costs of that run into hundreds of millions of pounds a year. It generates a risk for hundreds of millions, if not billions, of pounds' worth of exports. That is an unnecessary domestic policy. You cannot have a trade policy that is trying to promote exports on one hand, and then undermine that with domestic policy on the other.

Q51 **Chair:** Yes. That specifically relates to Northern Ireland.

Balwinder Dhoot: It is broader than Northern Ireland. The Windsor Framework covers Northern Ireland. This is mandating "not for EU" labelling on any product that qualifies. Whether it is imported into the UK and will not go to Northern Ireland or whether it is just produced in GB and is not for sale in Northern Ireland, it will have to have "not for EU" labelling.



If you had no intention of sending it to Northern Ireland but were going to send it to the Republic, France or anywhere else, you would need a separate production line to do that.

Q52 **Chair:** You would need separate packaging anyway.

Balwinder Dhoot: That often means a separate production line or another product line, which is expensive.

Dr Hadley: To echo that thought, this is a new era for agricultural producers. I will limit my answers to red meat and dairy, principally. From a producer's point of view, there is the threat and challenge of a more liberal marketplace and domestic competition. That is against the backdrop that we are not necessarily self-sufficient in meat products.

We are an importer and an exporter. As was touched on previously, there is a balance there. We are a market for specific products for domestic consumers and an exporter of those products. There is also a seasonality aspect with some of the production, lamb principally.

Equally, if you are a manufacturer exporting your products, Europe remains a really critical marketplace for lots of goods. Using the lamb example, we export around 30% of our production. More than 90% of it goes to Europe. We must not lose sight of where our markets are, notwithstanding a very strong domestic marketplace.

You are having to make decisions about the ease of doing trade, the cost of those transactions, the logistics of moving products and the delays associated with a relatively modest shelf-life product. It is even more challenging in the really short shelf-life product areas. You have to decide whether you can do that trade and be commercially viable against those additional costs and the backdrop of competing in a global marketplace for imports.

As to where the trade policy could be improved, around the trade policy discussion there are a number of clear statements and documents from Government that set out elements of a trade policy. There needs to be clearer communication of that to industry to enable industry to engage and make their decisions from a really well-informed base. Sometimes businesses make decisions on limited information because they need to make commercial decisions now for the next weeks and months. We need to have more transparency, more openness and more support in that decision-making process.

Internally within Government, we need to look at the interplay between the Departments with different responsibilities around market access, trade negotiation and promotional activities, such as those by DBT. We need to join up both the internal and external communication strategies between Government Departments, Government and industry and Government, academics and organisations that have an input to try to make sure we have pinpointed the real challenges and opportunities and



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that the policy enables UK plc to exploit those challenges without disadvantaging the existing markets that we have enjoyed for many years.

Q53 Chair: The Netherlands is one of the biggest food exporters in the European Union. They are currently paying farmers not to produce because, as an export-oriented country, they are worried about the environment, nitrates, et cetera. Are we looking at opportunities to display some of those Dutch exports that come into the UK or elsewhere around the world?

I have heard of Dutch farmers coming to the UK to buy land here because they want to produce the goods that they cannot produce in the Netherlands. Is that something we could capitalise on?

Dr Hadley: Yes. Unlike the Netherlands, we have a really strong domestic marketplace, which is great. We should be looking for export opportunities to add value or sell particular products to markets that highly value them and add value to the supply chain, but we have a really strong domestic marketplace. Therefore, other countries, including Europe, Australia and New Zealand most notably, look to Europe and particularly the UK to sell their products.

We are not self-sufficient, in the main. We do need those imports. That is a much bigger conversation around self-sufficiency, environment and food security. In the last three or four years, for a number of reasons, we have experienced an inability to buy certain products at certain times. Food security has really been brought into sharp focus of late.

Of course, farmers, meat processors and dairy producers want to produce high-welfare and high-quality products in harmony with the natural environment, not at its expense. The changing policies around farm support may reduce their production output. That brings into question the position on food security and self-sufficiency, particularly in light of a fairly volatile world more broadly, where we are experiencing those shortages or products being available but at prices that are prohibitively expensive for certain sectors of the community.

Q54 Mrs Murray: I would also like to revisit the area that I visited with the first panel. Balwinder, can I come to you first, please? In your opinion, how flexible and adaptable is the Government's approach to its agri-food trade strategy?

Balwinder Dhoot: There is not a clear strategy, which means it is hard to gauge how adaptable it is. I would just reinforce my previous point. I will probably touch on some of the points that were made by the previous panel.

To have an adaptable strategy, you need good join-up across Whitehall Departments and better engagement with businesses that have some skin in the game around trade policy and imports and exports. That



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allows you to be adaptable because you are getting the best information and you are collaborating across Government.

There is room for improvement. I will just reinforce the point: you need investment, domestic policy and imports and exports. For our members, imports are a really key element. We export a lot, but—this was said by the panel earlier—we bring in primary produce, process it and add value. A lot of R&D and innovation goes into that. Re-exporting is a real opportunity. If you can get those imports in tariff-free with a minimum amount of friction, that will support the largest manufacturing sector in the UK.

Q55 **Mrs Murray:** Dr Petetin, do you have anything extra to add?

Dr Petetin: There is another aspect that I want to add to this. I agree with what was said. The UK Government also need to talk to the devolved nations. The devolved interests, goals and objectives also need to—

Mrs Murray: We are coming on to the devolved Administrations in another question.

Dr Petetin: It is also a part of this. When you are setting up a strategy for the whole of the UK, you also need to consider the importance of the devolved nations. That also helps with the adaptability of the policy you set.

Dr Hadley: In order to have a flexible strategy, you need to make sure anything you move to or flex to needs to be realistic and deliver genuine value for UK consumers and business. As strategy develops still further—there is some development to do—there needs to be transparency and open engagement to make sure whatever it might move to is fully thought out and has commercial opportunity at its heart.

Q56 **Mrs Murray:** What opportunities are there to better integrate domestic agriculture and environmental policies with the UK trade objectives?

Balwinder Dhoot: I would probably add food security to that as well. These things have trade-offs. We need to be open and honest about the fact there are some trade-offs here around consumer prices, the environment, food security and the farming reforms, et cetera.

We need to think strategically about where we want to be, where we want those trade-offs and what we want. That is the first point. It is not clear that that debate happens or is engaged with by business.

Dr Hadley: The question about the livestock sector comes into sharp focus in terms of the environment, but we also have to think about the broader implications for the cost of production, affordability, food inflation and food security. We do not want simply to export the problem elsewhere and bring in products that do not meet our environmental ambitions and have poorer standards into the country to displace domestic production. Again, that goes back to food security.



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In a similar way, we also have to consider the broader animal welfare aspects within that. UK farmers feel threatened by some of the trade deals that have been done to date, but they also will comment that they are quite happy to compete on a level playing field with countries that produce to an equivalent standard. Those would be countries that have environmental constraints or ambitions within their production systems and that acknowledge animal welfare within their production.

We need a balance between the environment, production, food security and welfare. We must always remain mindful that we simply cannot become a net importer of food produced to lower standards.

Q57 Mrs Murray: Dr Petetin, I want to start with you on my final question. The UK agri-food sector has experienced volatility in recent years as a result of global shocks. How well has the UK's trade strategy been able to cope with these shocks and how could it do better in the future? I am thinking about examples such as the pandemic, for instance.

Dr Petetin: We all saw the empty food shelves during the pandemic and how everyone in the industry tried to produce as much as possible. The way supply chains worked changed as a result of that. A lot of consumers focused on short supply chains. The market for fruit and veg boxes really grew, as well as farmers markets, et cetera, in order to meet the demand from local consumers. It was more difficult for international supply chains to get anything across.

Q58 Mrs Murray: Could I just press you? How could it do better in the future, in your opinion?

Dr Hadley: The key issue with the agri-food supply chain as it is today is that it is just in time. There is not so much resilience built into that supply chain. It was mentioned in the previous panel. There is an issue about getting stuck in a port or wherever it may be for a week or 10 days. That has consequences on how we get food.

We saw it last winter when we had no tomatoes. Tomatoes were like gold when you went to the supermarket because of the bad weather in Spain and Morocco. Morocco preferred to go to the EU market rather than the UK market. Yes, there are improvements to be made.

Dr Hadley: We have experienced shocks that we have not experienced before. Undoubtedly, there were lessons learned throughout those shocks. The industry does work at very short timeframes. Retailers have reconsidered their supply chains. They are now more sensitive to that shock-type position. Lessons have been learned that probably were not apparent five years ago. We are more able to cope with shocks now. However, we will still experience shortages.

Q59 Mrs Murray: If I could turn to you, Balwinder, how could we do better in the future?



Balwinder Dhoot: The level of the shocks we have had has been quite unprecedented. Overall, the system has been under strain, but it has delivered. In terms of preparing for future shocks, the volatility around climate change is only going to increase the pressures on the system.

Signing free trade deals that diversify your supply is a positive. You are not relying on one particular market for a good. It is good to diversify. There are a couple of quite practical areas you could think about. Following the Russian invasion of Ukraine, sunflower oil prices went through the roof. We were still charging tariffs on those for another eight to 10 months. We should think about the process for responding quickly to that. It was needless to carry on charging tariffs on those. It was just fuelling inflation. Even once you remove the tariff, it is going to take a bit of time for the supply chain to adjust.

In terms of the response to the recent inflationary pressure, which is partly but not entirely linked to Russia-Ukraine, tariffs are something that add cost. Tariffs could have been used in a more strategic way to dampen that cost. It would not have taken all of the pressure off but it would have been a supportive measure, but broadly they were untouched.

Q60 **Chair:** Dr Petetin, you probably will be best placed to answer this question. We heard in the first session about our agricultural trade attachés around the world. We heard they are quite thin on the ground compared to some other countries that live or die by their agricultural exports, which have teams of people. Should we be doing more?

In particular, as we are net food importers, every item we export may well have to be replaced by an import. What lessons can we learn from other jurisdictions, or maybe from the EU, in terms of what they are doing and what we could be doing?

Dr Petetin: There are lots of lessons to be learned, in particular from the EU but at various levels, in terms of how it exports, its approach to negotiations, the various attachés it has and how these things are sold to other countries. The EU is a much bigger trading bloc. We are not like that. Other examples would be Canada, the US, despite the fact it is a huge market, or Australia, with the amazing results they have had with the UK trade deal.

However, I want to mention something else on the subject of comparisons. This is why I am mentioning Canada in particular. At the start, Canada had an issue because it was making its own trade policy and its agreements did not really involve the provinces. The provinces more or less rebelled against that.

Canada is a cautionary tale for the UK in terms of what we need to consider. UK trade policy needs to involve the devolved nations. When we are thinking about doing a treaty with X, Y or Z country, we need to know what the devolved nations want.

Q61 **Chair:** Stephen might be coming on to that particular subject. Scotch



whisky is our single biggest export. It is also one of the goods where there are very high tariffs, which can be up to 150% in some cases. Is it the case that the most important target for our trade policy is selling more gin and whisky around the world and other commodities pale into insignificance?

Dr Petetin: What would this mean for Wales, for instance?

Q62 **Chair:** France is our number two whisky destination, by the way. Nobody believes that. You drink more whisky than cognac in France, I understand.

Dr Petetin: Almost, yes. Cognac is very big. It is the biggest French export in terms of agri-food, not exports in general. I cannot remember what your question was. I am sorry.

Q63 **Chair:** Given that we could not expect to have the same army of people as countries like Brazil or even Australia, how can we be more effective? What lessons can we learn from other countries around the world in terms of promoting our exports, given that we have a trade deal in place, hopefully, and we need to follow on from it?

I got the impression from the first panel that we are signing these deals, but we are not really capitalising on the opportunities in many cases. That is sometimes for regulatory reasons with the EU, but otherwise businesses have perhaps not been used to seeing export markets. What can we do to encourage them to go out there and sell more Wensleydale cheese, to pick a Yorkshire product at random?

Dr Petetin: One of the issues, as was mentioned in the first panel, is that there is not a dedicated platform to inform the industry of where they can export and what they can export. This is a big issue in terms of getting basic knowledge.

Other countries really do it better. Canada really does it very well. It is not necessarily about how many attachés you have, et cetera. You also need the knowledge in order to build exports from the ground up. Having attachés and other people in other countries is key, but we need to know what we can export and where. At the moment, this is really not accessible information, whether that is for industry or civil society groups that want to know more about where things are.

Q64 **Chair:** I am guessing the Diageos of this world will be in a good place to do that, but a small craft brewery or a gin producer in rural North Yorkshire might see that as too difficult to do. There could be a toolbox they could use to try to work out the tariffs, the documentation and everything else. Should we be thinking about recommending to Government that we need to have more easily accessible toolboxes for small companies that want to export small amounts?

Dr Petetin: I completely agree. The other thing that was not mentioned in the previous panel is how none of the three last big treaties that we have signed up to do not include PGIs.



I am especially thinking here about Welsh produce. This is going to be really difficult when it comes to Welsh lamb or Welsh black beef, for instance. How are you supposed to export when you cannot identify your project as a niche or premium project with very high standards? With that, all the culture and heritage of those products cannot be shown. That is quite problematic in terms of wanting to trade the best products we have.

Q65 Julian Sturdy: I just want to move on to impact assessments and consultations. This is to all of you. How would you assess the Government's current approach to evaluate the impact of free trade agreements on the UK agricultural food sector? Does the methodology need revising? I do not know who wants to take that first.

Dr Hadley: I will comment on that, if I may, but I want to go back to the question about agricultural attachés for a second. AHDB and Defra co-created the first ag-attaché or ag-counsellor role in the British embassy in Beijing because we recognised the opportunity and the value that such a position would bring. We have co-financed that for seven or eight years.

As part of the Trade and Agriculture Commission, I proposed that as a discussion point. What could the UK learn and do better? What has worked well? Hence we now have 11 ag-counsellors with five more to come. We can focus on the number, but behind those people are also teams in countries. It is not just that handful of people; there are teams behind them as well. They need to be resourced, they need to be financed and they need to have a clear remit. I just wanted to highlight the ag-counsellor point.

In terms of impact assessment, my market intelligence colleagues look at the impacts of trade deals and feed that into Government as independent evidence-based analysis of the markets. We have done that across a number of markets: "If the Government strike a deal that looks like this, these are the likely implications". We have particularly focused on Australia and New Zealand, for example. We have made our information very public. I am happy to share that.

That is then fed into Government to enable Government, on the sectors we are involved in, to see what those potential impacts might be. I am sure other organisations have done similar. There is the threat that—

Q66 Julian Sturdy: Have they responded to it?

Dr Hadley: They have taken our observations on board, effectively. We are an evidence-based organisation. We do not take a position. We merely say, "This is the likely impact". We have done an extensive piece of trade modelling work with Harper Adams University that has really shown the potential impacts, as I say, of Australia and New Zealand in particular.

Balwinder Dhoot: I would suggest that there is potentially a role for the Trade and Agriculture Commission here to do some analysis around



impact assessments. Again, this touches on the point around engagement with industry to understand what the concerns and benefits are and working closely with industry to support the development of the trade strategy on particular FTAs.

Julian Sturdy: I was going to go onto those FTAs in a minute.

Balwinder Dhoot: Can I just add to the previous question about export support? I would 100% endorse what Ludivine was saying about having a portal with clear information. Australia does it. The EU does it. There are lots of countries that do it. We do not have it. It is such a glaring gap in terms of export support.

Chair: That sounds like a recommendation.

Balwinder Dhoot: Yes, please.

Q67 **Julian Sturdy:** Dr Petetin, do you want to comment on that?

Dr Petetin: In terms of impact assessment, we also need to take into account—I am going to repeat myself—the impact on the different nations of the UK. This is not something that has been done.

This is quite clear when looking at the assessment done by the Welsh Government in particular. This has an impact on the wellbeing of future generation goals set by the Government in the Well-being of Future Generations (Wales) Act. The different nations of the UK have different goals and interests. They will not be impacted in the same way, depending on the deal we are looking at. This is really important to consider.

I just want to mention that Public Health Wales did a health impact assessment of the CPTPP. It had quite a bit on the impact on agri-food and how it could lead to lower food quality and safety standards and it could damage farmers' mental health because of the extra pressure from the changes in domestic support and the frameworks for agriculture and the international market.

It would be very positive to see the different interests and goals of the devolved nations being fitted into those impact assessments that are done by UK Government. There needs to be engagement with the industry and more engagement with the devolved nations.

Q68 **Julian Sturdy:** We are going to touch on that. Do the impact assessments published by the Government for each FTA fully take the agri-food sector into account? Do they touch on all sectors? I would say they take agriculture as a whole, but they do not look across all sectors. That is just a personal view, but I would be interested to hear what the panel think about that. Phil, do you want to touch on that first?

Dr Hadley: I am not sure I can comment on that directly.

Balwinder Dhoot: I do not have a view on that, I am afraid.



Dr Petetin: I am not an economist.

Julian Sturdy: That's fair enough.

Chair: For cereal producers, what happens in Chicago tends to set the global market. For certain commodities, whatever we do, the global price will pretty much stay there.

Q69 **Steven Bonnar:** The Scottish Government have quite lamented the lack of a joined-up approach in this area. I wonder whether you could give us your views on how they are interacting with exporters, civil society groups and devolved Governments. Are their views being taken into account as well as they should be in terms of the agri-food trade strategy?

Dr Petetin: As I have been saying, there has been a lack of engagement from central Government. However, I have to say, since the intergovernmental relations review, there has been quite a lot of improvement both from the perspective of the industry and the Welsh Government in particular.

There are more opportunities through the TAGs, the STAGs and talking to DBT in Cardiff, where they have an engagement team. It is much easier to access and feed into that. The main issue is that the opportunities that the UK Government have to talk to the civil society groups or Governments in the devolved nations are often used for information-sharing rather than shared decision-making.

This is the whole issue that we are facing. It is not an equal footing. It is all about what can be done. As I said, it has improved with the common frameworks and the different opportunities under those. However, it is still limited and rather top-down, instead of being bottom-up. That really needs to change.

I want to mention another important aspect of this. This is not quite linked to this question, but, when we are thinking about trade policy, the United Kingdom Internal Market Act has an impact on what the devolved nations can do. The devolveds cannot stop exports from coming in despite the fact they have lower standards in terms of environment and animal welfare.

That is clear from the United Kingdom Internal Market Act, and it is something the devolveds were not happy with. This is something they cannot prevent. An example of where there are already big differences between the devolved nations and the UK Government is the new Act on gene editing, the Genetic Technology (Precision Breeding) Act. There are differences between the UK Government and the devolved nations. If there is no ban on gene editing across the UK, these products would likely be allowed because they can be allowed into England and therefore they can also enter the devolved nations.



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Balwinder Dhoot: I have a few quick points. We represent members in Wales and Scotland. We will feed those views in directly and make sure those land with DBT, as it is now.

We also work quite closely with DBT. They have a presence in Scotland and Wales. They do engage. We do not know how the decision-making process works once that information is gathered. We think they do gather information around what the impact will be on businesses in Scotland. I know their impact assessments will look at that as well.

The only other thing I would add is that businesses in Scotland and Wales have additional support in terms of exports compared to businesses in England. There is probably something around looking at what support works in the devolved administrations and whether that could be rolled out more widely.

Dr Hadley: I will comment from the lens of the Food and Drink Export Council, which has full representation from across the devolved nations. There is an interesting dynamic there. Those members from the devolved nations do express concerns about fair engagement.

Equally, as Bal has just touched on, there are often demonstrable differences between England, Scotland, Wales and Northern Ireland and the support that is given. In particular, Scots food and drink is held up as a beacon of excellence. To expand the ag-counsellor role again, they have a number of people based in some key markets to promote Scottish goods or goods from Scotland in the broadest sense.

There are certainly learnings to be had on both sides. On one hand, there is a question about engagement. On the other hand, there is a feeling about devolved nations doing things differently rather than there being a coherent approach. Certainly, one of the aims within the Food and Drink Export Council is to ensure there is a fair opportunity and that lessons and best practice can be embedded for a UK plc approach.

Q70 **Steven Bonnar:** Thank you for the answers. There is produce in Scotland that we are rightly proud of. It is absolutely exquisite. The Scottish Government's priority is to make sure the standards and protections are there for us and that they endure. The agreements struck with both New Zealand and Australia do not necessarily align with the position of the Scottish Government on that. I cannot speak for the Welsh.

I was wondering whether you would elaborate on what mechanisms are in place currently for consultation, how that consultation is gathered, where it works well and indeed where matters could be improved. That is really important as we go forward.

Balwinder Dhoot: On FTAs in general, we talked about strategy. Having a strategy and understanding it is helpful. There is also something around understanding why an FTA is being prioritised and what the objective is. Sometimes we have engagement and then further down the line we find



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out that the focus is going to be on services. Is that something that was known beforehand or has the consultation exercise taken us to that point? We could have greater clarity around that.

We should not be driven by artificial deadlines around pace. Looking at the quality of the FTA and the outcomes from it is also important.

Dr Hadley: On the consultation piece, I received a communication this morning to submit a comment to the border target operating model consultation that is going on at the moment. Efforts are being made to engage.

The question is where that engagement comes from. While some commercial businesses may engage on an individual basis, they are more likely to engage through trade associations, which we are not. Bal's organisation, for example, is much more likely to corral the thoughts of their group of members to put together a coherent response to such a consultation.

There are consultations going on. Could they be better? Of course, yes. Does everybody always feel they have been given a fair opportunity? No, but I can see that there are efforts being made to engage with industry, business and trade associations.

Q71 Steven Bonnar: Dr Petetin, in an earlier answer you said that the UK Government must speak to the devolved Governments. In written evidence, the Scottish Government highlighted the progress in coming to a four-nation position on SPS, for example, but expressed frustration that this position was not reflected in the SPS charter of CPTPP. Do you have any opinion on that? Is the point that the UK Government need to start listening to the devolved Administrations?

Dr Petetin: Yes, I was actually going to say that. Engagement is great—as I said, there have been more opportunities for that, which is really positive—but sometimes you have to listen, as you say. Engagement is a start, but in terms of actual outcomes that have taken into account the devolved nations, that remains to be seen.

If we look at the impact of some of those trade agreements on the devolved nations, the FUW has said that the consequences of the Australia deal will cost the livestock industry in Wales £20 million. I can double-check that, but, as I said before, this was not considered in the impact assessment. Because of the poor channels of communication and engagement, there are these consequences. This needs to be considered by the UK Government when drafting those deals.

Steven Bonnar: That is another recommendation, Chair.

Chair: I would certainly echo Steven's point about the high quality of Scottish products. Indeed, we signed a deal with America on the export of salmon, which we could not have done within the European Union. We also need to address the 50-year ban on Scottish haggis exports to



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America, which is an absolute outrage. Why can we not inflict that on them, too?

Steven Bonnar: With your indulgence, Chair, we do have an excellent supplier in Scotland, Macsween, which is tweaking the recipe. We hope to see Scottish haggis on American shelves very soon.

Balwinder Dhoot: Macsween is one of our members.

Chair: Are they taking the lungs out?

Steven Bonnar: It is the lung, essentially. That is the one element that does not pass muster presently.

Q72 **Ian Byrne:** I do not know how to follow that. We are going on to FTAs. Dr Petetin, I will stick with you. What impact has the UK's free trade agreements with Australia and New Zealand had on the agri-food industry? What future impacts are you expecting?

Dr Petetin: In terms of the impact so far, it has been only a few months.

Ian Byrne: That mirrors what the first panel said.

Dr Petetin: It has been quite limited, I believe. I have not seen much data to show otherwise. We need to think about what the trading landscape is going to be 10 or 15 years down the line when the TRQs are going to be unlimited. Although the first TRQs that have been agreed on beef and lamb in those agreements are already quite high, once those treaties are fully liberalised it is going to have a huge impact on the beef, in particular, and lamb industries across the UK.

When we are talking about UK trade policy, it is nice to look at it here and now, but the decisions that were made in those deals will not be seen for another 10 or 15 years in terms of the real consequences we are going to see. It is important to bear in mind the temporality of those deals. Of course, we can build towards that. We can build our supply chains according to those deals, but we also need to bear in mind that the trading regime and the pressures that will be on farmers in 10 or 15 years down the line will be different to what they are now.

This is also happening—I am going back to this point, but it is important—at the same time as the agricultural reforms we are facing in terms of the support regime we give to farmers, which is being completely overhauled at the moment.

The other aspect, which has not been mentioned, is the big question mark around what happens at the end of 2024 when we have a new Government. The current Government have promised that they will maintain agricultural funding until the end of this Government, but what happens after that? That is another big uncertainty. This is why we need to look at this holistically and this is why these policies are needed. How are you supposed to prepare for the future when you do not know what is



going to happen in 15 months? The funding is going to be totally different; we do not know what amount of funding will be available for agriculture.

Balwinder Dhoot: From a manufacturing perspective, you have all tariffs going to 0%, which is positive. There are opportunities for some UK brands to get more penetration in that market over time. There are flexible rules of origin. You can process products from the EU and rest of the world and send those in and vice versa. There are some benefits. Again, it is too early to say what the impacts will be.

Q73 **Ian Byrne:** You say it is too early to say and I understand completely, but how long should we wait before we can get an overall view of this? I will ask this in the next question as well, but how long does it normally take, from an industry point of view, strategically to make an evaluation that you feel would stand the test of time?

Balwinder Dhoot: My guess would be that it depends on the market, the distance and what other opportunities you have as an exporter. There is not a straight answer or a set answer. We have not done a deal with Australia and New Zealand before, so we will have to wait and see.

Dr Hadley: You asked what the impact is, and I would echo Balwinder's thoughts. It is too early to say. From a beef and lamb perspective, it is clear that Australia and New Zealand are looking at the market for opportunities and potentially gearing up and creating supply chains that might meet that opportunity.

To step back a moment, our trade analysis in partnership with Harper Adams has said that, under the current global dynamic, there is likely to be a very limited impact on imports into the UK because those countries are focused on other markets. New Zealand, for example, has not met its existing quota ceiling for many years. Their production cycle has changed. Australia lurches between drought periods where they go through depopulation and rebuilding. They have volatility in their own production base, and it is somewhat declining in some cases. They also have very lucrative markets elsewhere. Fifty per cent of New Zealand lamb exports go to China.

That analysis really says—again, we touched on shocks earlier—as long as there is no catastrophic or fundamental change, they do not have the products available, they have more lucrative markets available to send their product to, and their efforts are directed elsewhere. Of course, we will still see that product in the marketplace at a level that is not dissimilar to where it is now. It may increase, but, unless it is against the backdrop of another significant shock, it is unlikely to increase exponentially.

We should still pay careful attention to that and make sure any product that does come here meets our own ambitions and aspirations around welfare, environment, et cetera.



Q74 **Ian Byrne:** I will stick with you on that. Does the negotiated position in these trade agreements create a precedent for our agri-food trade policy? If so, what impact might that have?

Dr Hadley: In principle, no, it should not. They are all done as individual negotiations. This was raised in the earlier session. Although it should not, clearly other countries that are thinking about negotiation or that are in negotiation will see a bar that has been set and negotiate hard to achieve something at least as good, if not better. That does present a challenge for the negotiations that follow. Although it should not have an impact, they know what to shoot for, effectively.

Q75 **Ian Byrne:** Even though we touched on it being a bit early for an analysis of the deal, have we learned any lessons so far that we could potentially put into other deals that you would be pushing for from an industry perspective?

Dr Hadley: We need to be more mindful of the potential impacts. Our trade analysis was fed into the negotiations. There was an awareness around some of those aspects. We need to make sure industry has a good opportunity to comment and be consulted. In some cases they might encourage imports for the manufacturing sector. There might be a dichotomy to balance there.

If there is transparency and openness and if business and industry are well consulted, we have every opportunity to come out with something that is meaningful as part of business and the UK more broadly.

Balwinder Dhoot: On the point about setting a precedent, I agree with Phil. There is a risk around that. For example, take rice in India. There is a negotiation going on. That is a sensitive sector for the UK. We have lots of rice mills here, which give us a bit more food security and create jobs. There is also an issue about the quality and the safety of the product. You need to be careful that you are not setting precedent where you give away too much on rice and you damage what we already have here.

Q76 **Chair:** This is about having lower tariffs on un-milled rice than milled rice. It makes sense to take the bran off the rice here in the UK rather than to import it processed from India.

Balwinder Dhoot: Yes.

Q77 **Ian Byrne:** Dr Petetin, would you like to add anything?

Dr Petetin: I would like to add a comment about something that will or may have an impact on future decisions. I agree with what was said as well. Within the CPTPP, there is a slight change from what we are used to in terms of the UK approach to how we legislate. We tend to be precautionary. That is also linked to the EU, as with the legislation we are used to. There is a change to using scientific evidence and relying on scientific evidence more in particular when it comes to anything to do with SPS.



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This would mean that, for every decision we take, we need to be scientifically based. When we say, “We do not want to import this for X reason”, that reason would have to be scientifically based rather than being precautionary. As this was agreed under the CPTPP, other countries may want that to be replicated in their deals as well.

Q78 Ian Byrne: Would you say that was detrimental to environment standards, or would they be enhanced?

Dr Petetin: The way that we legislate and how we approach SPS could then be different. This is something to bear in mind.

Chair: I looked it up. The first New Zealand lamb arrived in the UK in 1870 in cans, and the first frozen consignment in 1882. Obviously there were no quotas at all until we joined the European Union. I do not think they have ever filled the tariff rate quota, particularly as the New Zealand lamb flock is now about half of what it was historically. They are planting trees for carbon.

Q79 Dr Hudson: I wanted to get on to trade policy movement of animal and plant products and what that means for food standards, but also, very importantly, biosecurity for our country. I touched on this with the first panel in terms of the border target operating model. Phil, you referred to that in one of your answers as well. Are the requirements and operational implications of the incoming border target operating model fully understood by the agri-food sector?

Dr Hadley: No, they are not at present.

Q80 Dr Hudson: That is a similar answer to the first panel, so I will go on to the supplementary. If they are not, what can be done to improve that understanding so we can get it to work properly?

Dr Hadley: The example I touched on earlier was that I have received a round-robin email today asking for input and consultation. Government Departments are reaching out to ask industry and associated parties their view on what their perspectives are of the target operating model.

That is important. It also sends an important message around equivalence and equitable trade that we should also be applying some controls on imported products, because we know for sure that there are controls when exporting our products to the EU. That is an important message for industry in terms of a fair, level playing field. The target operating model takes a risk-based approach, which is sensible, so it should be adequate to ensure the food safety and biosecurity of products coming into the UK for UK consumers to consume.

Balwinder Dhoot: I agree with what Phil said and what the first panel said. There are bits of information we are missing around fees and border control posts, et cetera. We are getting quite close to the crunch point.

Dr Petetin: It is needed in terms of biosecurity.



Q81 Dr Hudson: Yes, absolutely. It is absolutely paramount for the nation's biosecurity. In the border target operating model at paragraph 138 it notes the intention to introduce exemptions for personal imports. That can include passenger baggage and it can include post and parcels of certain SPS-controlled products, so sanitary and phytosanitary products.

We are awaiting the details of this to be published. We are waiting with bated breath on that, because we as a Committee have voiced our concerns about this approach in terms of the implications for biosecurity and the possible introduction of pathogens.

In the UK we are very concerned about the movement of African swine fever up through the continent of Europe, in the plant world the plant pathogen *xylella fastidiosa*, and the quantity of meat or animal product that can be brought in for so-called personal use.

We all remember the implications of when animal products came into the country in 2001 that were contaminated or contained the foot-and-mouth disease virus, and the implications to that for our biosecurity and the catastrophic animal health crisis that we had in this country. We are very concerned about that. Government are going to announce the exemptions in potentially importing up to two kilograms of animal products in passenger hand luggage. Have any of you been consulted on that change, or have any of your bodies made any assessment of the impact of this?

Balwinder Dhoot: On a related issue, we have members who run R&D centres in the UK. They often want small samples to come over to do testing and develop products, and they are caught up by the export health certificate process. It can actually be quite difficult and overly burdensome. These are quite controlled products. They are not for human consumption. They are for lab testing and things like that.

If you are going to have some relaxation, that is an area where you could do it, where you have multinational businesses who are very responsible in what they are doing and it is all very controlled. That is not in scope. That has an impact in terms of how attractive the UK is as a location for R&D. When we were in the EU you could just bring those products in and out; now you need a lot more paperwork to do it.

Q82 Dr Hudson: When you go into Australia, for instance—an island nation—there are biosecurity controls about what you cannot bring into the country. We are an island nation here, a family of nations bounded by sea. Now we have left the European Union we can potentially strengthen our biosecurity controls. Do you share the Committee's concerns with bringing in up to two kilos of potentially contaminated meat? Yes, it is for personal use, but if it gets into the wrong setting and it is fed to animals or whatever, heaven knows what would happen.

Dr Hadley: I am familiar with the controls going into other countries where you cannot take food products in. We did used to use our personal allowances to bring product in. To your point around ASF and the pig



sector, the pork sector is very concerned about the spread of ASF and recognises that some of that spread across Europe has potentially been from inadvertent movement of product that may have been exposed to the ASF virus.

Q83 Dr Hudson: People might be doing it in good faith, innocently thinking that they are doing something that is not without harm.

Dr Hadley: We as an organisation have produced fact sheets for multiple languages, recognising the fact that there are lots of European workers in British agriculture, on the risk of bringing products back from their home countries when they return to visit and then return to their workplace, particularly pig farms. We have made it clear, as indeed have their employers, that it is just simply not acceptable, because of the risks that it might present to the business. It represents a risk. Whether that risk is minimal and is a risk worth taking would up to the epidemiologists to assess, but it does present a potential full spread of things like ASF.

Q84 Dr Hudson: On this particular issue, Ludivine, you have said it is positive. The border target operating model is something that can enhance our protections for our biosecurity. Do you think, in its current format and with stakeholder engagement around the table, it is capable of supporting the enforcement of our food standards and biosecurity?

Dr Petetin: I have not seen the numbers, but it needs proper resourcing and to be properly staffed, because obviously we can have this in place but if it is understaffed and under-resourced then we need this issue to be tackled adequately.

Q85 Dr Hudson: That is very helpful. We have had Defra and the APHA in front of us very recently, and we have asked them those resource implication questions. That is helpful for us to make them able to make the case to Government to be given that resource to cover.

We have talked about biosecurity. We have covered a lot on beef, lamb and pork. We have not really covered poultry, per se, so much. In a previous session that we had, we talked about the avian influenza crisis that we have been having over the last couple of years and the concept of vaccination and what that means for biosecurity, but also what that means for trade policy.

The vaccine is being developed in terms of trying to get the right strain to tackle this. The UK could potentially go down the line of using vaccination, but the French are starting to vaccinate some of their poultry sector, such as ducks. Does your sector have a view on what the approach would be to the importation of vaccinated products from the continent of Europe if we are importing duck meat? Is that something that has been in discussion?

The flip side of that would be, if we ultimately start vaccinating, what that will mean for our export markets. I just wanted to throw that as a final Avian flu question. I know it is potentially not in your briefs, but hopefully you would be thinking about this from a holistic viewpoint as to what it



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means for products coming in that have been vaccinated, but also products potentially going out.

Dr Hadley: I will make a brief comment. I do not cover poultry, so I will pass to others. Looking from an export point of view I remain ever concerned around vaccination or changes to treatment regimes that might destabilise our exports. We certainly do not want to lose what we already have. Any decisions that are made need to fully assess the impacts and consider if there are markets that simply would not accept vaccinated or treated products, and what implications that might have for the sectors implicated.

Balwinder Dhoot: This is not something we have actively discussed with our members, but I would probably echo what Phil said, if it aligns with domestic policy and trade policy.

Q86 **Dr Hudson:** Ludivine, in your brief as a reader in law, you have done a lot of work in terms of international trade and WTO implications. Have you looked at that concept of vaccinated product from France coming in and how that fits in with international trade policy?

Dr Petetin: No, it is not something I have looked at.

Dr Hudson: That is fair enough. I thought I would just put that in at the end.

Chair: It would obviously have an implication for exports if we are vaccinating cattle for bovine tuberculosis, for example. I have this nightmare of a Hungarian truck in a layby and the guy is discarding his half-eaten ham sandwich into a field of outdoor pigs. We could be facing a real crisis. Thank you very much indeed for the evidence. It has been very helpful.