

# Environment, Food and Rural Affairs Committee

## Oral evidence: Trade and Agriculture Commission, HC 1346

Tuesday 27 April 2021

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Members present: Neil Parish (Chair); Geraint Davies; Dave Doogan; Barry Gardiner; and Dr Neil Hudson.

International Trade Committee members also present: Angus Brendan MacNeil (Chair); Anthony Mangnall; and Craig Williams.

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### Witnesses

I: Tim Smith, former Chair, TAC; Nick von Westenholz, TAC member and Director of Trade and Business Strategy, NFU; and Dr Nigel Gibbens, TAC member and former UK Chief Veterinary Officer.



## Examination of Witnesses

Witnesses: Tim Smith, Nick von Westenholz and Dr Nigel Gibbens.

Q1 **Chair:** Welcome to this session of the EFRA Committee looking at the Trade and Agriculture Commission. We are very fortunate to have Angus Brendan MacNeil, the Chair of the International Trade Committee, guesting today along with Craig Williams and Anthony Mangnall. Welcome, gentlemen, to the Committee.

Would the witnesses like to introduce themselves for the record, please?

**Tim Smith:** Good afternoon, members of the Committee. I am Tim Smith. I served as chair of the Trade and Agriculture Commission between July last year and February this year.

**Nick von Westenholz:** Good afternoon. I am Nick von Westenholz, a member of the Trade and Agriculture Commission up until its report and Director of Trade and Business Strategy for the NFU.

**Dr Gibbens:** I am Nigel Gibbens. I was CVO from 2008 to 2018 and have had a career in Government Veterinary Services. I was a member of the commission for the whole of its period and I chaired the standards working group.

Q2 **Chair:** That is Chief Veterinary Officer, in case nobody knew what CVO was. It is very good to have you.

The first question is from me. You have recommended developing a cross-Government agri-food trade strategy and having a Minister for agri-food trade. I suppose the obvious question is: what is not currently working that they would fix? I am going to start with the former Chair of the Trade and Agriculture Commission, Tim.

**Tim Smith:** In the course of our work, the critical bit was the engagement component. I am going to reflect on what we heard and then what we concluded.

The first thing is that agri-trade is obviously going to fit into the context of a broader national food policy. You and others will have heard me say before that having a national food policy that allows co-operation between Government Departments and collaboration with external bodies, including those representing the sector, is critical. As we were thinking about our agri-trade work—specifically the commission's work—we concluded that a Minister would be a great focal point for all the recommendations. Assuming that those recommendations are accepted by the Government, it would be nice to be able to challenge one single individual in one of the Departments to co-ordinate and make sure that all happened on track.

I should mention that the devolved nations, which played such an important part in our deliberations, would need to be a critical focus. If you are thinking about the various Government Departments in Whitehall



and Westminster, you should also be thinking about those same Departments within the devolved Administrations. We felt a single point of contact or single point of authority would be useful for ensuring that, to the best of their ability, the Government could adopt our principles.

**Q3 Chair:** The next question is about the devolved nations. You have made Angus and Dave Doogan smile already, which is good, Tim. Where is the Government response? Are the jungle drums beating? Have you any idea what the direct response will be from Government to that proposal?

**Tim Smith:** I am in Sheffield, so I cannot hear drums of any sort. I cannot tell you the direct answer. I'm sorry to be flippant.

We handed the report to Liz Truss in the middle of February and then published it in March. As we were doing that—as we were coming to the end of our work and our final meetings—we were conscious that we were looking at a point in time that was going to be very busy for the Government, the devolved Administrations and others, as we headed towards the 6 May elections. Our assumption, which has proved to be correct, was that there would be a very thoughtful and careful response from the Government—we anticipate that—but we did not really anticipate seeing much until May or perhaps early June. It is not frustrating; it is what we might have expected.

**Q4 Chair:** Nick, this is something that, naturally, the National Farmers' Union pushed the Trade and Agriculture Commission very heavily for. It did turn out to be, membership-wise, quite a broad church. Is the Trade and Agriculture Commission report largely what you would like to see? Do you think the Government are going to take any notice of it or not, to put a very blunt question to you?

**Nick von Westenholz:** We will have to wait and see what the Government's response is. I have been quite heartened to detect quite a lot of work going on in DIT, DEFRA and elsewhere in bringing the responses together. I am hopeful, maybe even confident, that there will be a pretty comprehensive response, but I do not know the content of the response. Whether we will agree with the response, we will have to wait and see.

On your previous question about the broad church of the commission, it was indeed a broad church, which is fair enough. The report certainly represents an attempt to have a consensus view, bringing together some fairly disparate and different points of view across the commission. It is, therefore, a compromise to a degree, but that was to be expected.

At the very outset, I said that the reason we needed a commission like this was that this Government have, in particular, two clear commitments in their last manifesto, which, while not mutually exclusive, are certainly in tension with each other. Those are the commitments not to compromise on our high standards of animal welfare and environment, et cetera, in our trade deals, but also to have trade deals and FTAs covering 80% of trade within three years, which takes us up to December next year.



If you are going to try to do lots of trade deals quickly, that suggests you are going to have to make a number of concessions, particularly when those trade deals are with big agricultural producers, as they all are. That is a difficult circle to square. That is why the report was always going to have to involve quite a degree of compromise and an attempt to balance those things. It was not a vehicle for the NFU to throw everything we think about trade into; it was a genuine attempt to try to come up with a method of meeting those two commitments or ambitions that the Government have.

**Q5 Chair:** I will ask you and Nigel this, and Tim can also come back on it. Tim did an excellent job in chairing the Trade and Agriculture Commission, but he wants to stand down now for what is basically Trade and Agriculture Commission 2. Have you any idea about bringing a name forward for the new chair? How soon can that be in place? We are conscious that, as we speak, the Australia deal is going ahead and we are talking to New Zealand. We will probably talk to the Americans a little later, but we do need to be sure that the Trade and Agriculture Commission and the new, perhaps slightly more technical, group is up and running. Where do you see that?

**Nick von Westenholz:** I do not know exactly where things are. We had expected things to have moved forward by now, so there seems to have been some delay. As I understand it, we are nearly there in the expressions of interest for the members of the commission. I do not know what the Government's intentions are for the chair, but the only point I would make would be to agree with you: the clock really is ticking now.

On Friday, we saw the Government say we are now in a sprint to tie up the deal with Australia. I am not quite sure why we need to sprint on something so important, but, if we are indeed in a sprint, we are also in a sprint to get the next TAC set up, so it has time to get ready and to scrutinise the output of that deal in good time. As you know, Chair, there are some timings that need to be adhered to in the ratification of any trade deal, and TAC scrutiny needs to take place in front of that. The clock really is ticking.

**Q6 Chair:** My view, along with many others, is that the value of the Trade and Agriculture Commission is not only at the end to scrutinise a trade deal, but to influence it along the way when we are actually negotiating it. Do you believe the new technical group that will be set up will be able to do that, depending on how much the Secretary of State for Trade takes notice of it?

**Nick von Westenholz:** The important point is that the report ahead of any trade deal being ratified will be presented to Parliament as well. It will be an opportunity for all of you to take notice of its assessment of the trade deals as well, which is an important point ahead of ratification.

**Q7 Chair:** Nigel, there is a view that the second committee that is being set up will be quite a technical committee to advise on technical aspects of trade deals in particular. How confident are you in what we have been



doing and in setting that up? The floor is open to you, Nigel.

**Dr Gibbens:** I cannot really add anything to what Nick has said in terms of progress. This is happening within the Department. I know they are working hard on the future TAC. There are decisions to be made about the scope of its work. As you say, it is envisaged to be more technical. I would agree with you—I have no reason to know which way this is going to go—that it should be, even it is technical, in a more iterative place than simply coming at the end to look at a trade deal once it is a done deal. Central to the commission's report is the idea of an overarching trade strategy that sets the scene for all future trade deals and, although each will be different in nature, gives you a framework that you then assess it against.

The early trade deals are not really going to be the place where any new commission comes into its own. It is going to be when it becomes part of an ongoing process.

Q8 **Chair:** I might be putting too many words into your mouth, but at the moment a trade deal with both Australia and New Zealand could be very important for UK agriculture one way or the other. Are you saying it will have limited influence over that as it is being negotiated? Am I putting too many words into your mouth?

**Dr Gibbens:** My caution is that I have no idea. I have no insight into the negotiations or the current state of play. All I would say is that, as a member of the commission, given the amount of work we put into producing the commission's report, I hope the current negotiators have a weather eye to what the report says and to what degree anything they do fetters the discretion of the Government going forward.

Q9 **Chair:** I would like to congratulate Tim Smith and all of you for the work you put into this. Thank you very much for that. We are very keen for it to be taken notice of.

Tim, what will the new Trade and Agriculture Commission will look like? Could I also ask you a supplementary? Have you had discussions with Henry Dimbleby about how agri-food trade strategy would fit into a wider food strategy?

**Tim Smith:** The first thing to say is that, going back into the winter of last year, the Secretary of State was under some criticism for the way in which the Trade and Agriculture Commission was set up, and weathered that very effectively by having what turned out to be a diverse group of people turn in what we think is a pretty good report. That does not excuse the Government from having good governance for the permanent statutory body that needs to be set up.

I was involved in early discussions about the composition of that group as it was being imagined, which was before our report was published. I made what I thought was quite a sensible point: I said that the terms of reference for the new statutory body would determine the expertise it needed around the table. There is no point setting up an expert group



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including, for example, a microbiologist when food safety might or might not be on the table. You need to know what the terms of reference are before you start to populate the group.

In terms of chairing it, it would have been nice to continue, but I am not able to for commercial reasons, which I would rather not disclose now. In essence, the chair will be a different sort of person with a different sort of expertise. Both Nick and Nigel alluded to this, but the lens of the statutory Trade and Agriculture Commission will be different, because it will hopefully be looking at both the mandate and the execution of the trade deals, thinking about the principles and the themes we introduced and those of the international regulatory framework. They ought then to be able to give you and others advice on the performance of the Government's negotiators on those issues.

On current trade deals, I am slightly torn. There is no doubt in my mind—Nigel is a much more careful speaker on the topic than I would be—that the negotiators have all read and participated in discussions about the recommendations we have put to the Government. I am assuming—hopefully this is not too arrogant an assumption—that they are taking seriously the 22 recommendations, even before they have seen what the Government think of those recommendations. I am assuming we have used our influence well in promoting the recommendations.

Some of the people who are leading the negotiations will be people we consulted with, to check, first, whether the recommendations were legal, compliant with international law and so on; secondly, whether they were practical and whether they would actually work; and, thirdly, whether they would pass the sniff test and whether people would take us seriously. With all that taken into account, it is important that the statutory body gets going.

It is a bit of a puzzle, is it not? Given that there has been a delay in responding to our recommendations, for the very good reasons that I outlined earlier, there could have been a reciprocal amount of effort put into populating the new body. It is for Ministers to say why they have not been able to do that quite yet.

On Henry, we have had frequent exchanges, some of which have been with officials, some of which have been one-to-one and some of which have been independent-to-independent. That was over the life of the commission. I am hoping that Henry is going to do two things, one of which is that he is going to be thinking about supporting our recommendations, specifically those that talk to boosting the Government's expertise and the energy behind exporting activities. Hopefully he will see that the protections are well and carefully crafted, so he will not be as concerned about those as perhaps he might have been when he put the thing together.

I would just say what I said at the top of my first remarks: this has to be a coherent cross-Government piece of work involving all the devolved Administrations, because it is such an important piece of policy. He is



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independent; he has taken a number of years to come to these conclusions. I am hopeful that he will be keen to see our recommendations adopted as Government policy.

**Chair:** Thank you very much. That leads me neatly to bringing in the Chair of the International Trade Committee, Angus Brendan MacNeil, who is guesting this afternoon.

Q10 **Angus Brendan MacNeil:** It is good to have this opportunity. It probably also saves the witnesses from coming to the International Trade Committee.

I will kick off, from a slightly trade-ish angle, with the Australian trade deal. I noted Nick's comments about how, if you want it quickly, you might have to make concessions. Suddenly, in the last wee while, we have heard that it is maybe going to be signed in principle come the G7 in the early summer. Bearing that in mind, I want to know how much input the likes of Nick might have into the negotiations for the Australian trade deal and the tensions that might arise. Nick has another hat to wear as well, which relates to his membership. If a trade deal is signed in haste and that damages his membership, what sort of position does that leave him in? Nick, be as frank as you can, please.

**Nick von Westenholz:** Yes, you are right: the real sticking points and difficult bits of the Australia-UK negotiations are around agriculture at the moment. As I alluded to a moment ago, I am concerned that the language is now about sprinting to get this deal done.

The really important thing about signing and concluding a trade deal is to make sure that it is right and the economics stack up. The sense one gets is that this is maybe more about politics, the optics of it and what it looks like. We are supportive of the notion of a UK-Australia trade deal, if it is right for farmers, but not at any cost. I am slightly nervous of coining a phrase, but maybe no deal is better than a bad deal in some situations.

There are now much better forums and platforms for engagement between the negotiators and industry and other stakeholders. The trade advisory groups are up and running, which means we can have discussions that are confidential and subject to NDAs. As of yet, we have not got into the details of those tricky areas. The clock is ticking. Given the announcement on Friday, I expect the Government or the negotiators to be in touch with us and many others who will be affected imminently, because it sounds like there are only a couple of months to resolve some of these really tricky issues, most obviously around things like sheep and beef imports into the UK from Australia.

Q11 **Angus Brendan MacNeil:** That leads me on to another area. Given that the deal is worth about 0.02% of GDP and Brexit's damage is, using Government figures, 245 times greater, at 4.9% of GDP, can you see a possible tension between you at NFU England and perhaps NFU Cymru? I am not saying you would do this, but could there be a temptation to say, "This is impacting more on sheep. My members are getting off reasonably well at NFU England and NFU Cymru is getting hit a bit harder. It is not



something I want to sweat over, because there is something else I want to sweat over”? Is that a potential that you can see?

**Nick von Westenholz:** No, that is certainly not the case. As the NFU as a whole, we do not represent Scotland and Northern Ireland, but we work very closely with the unions in those countries. We do represent Welsh farmers—NFU Cymru is part of the broader NFU—so no, that is not a risk. I would like to think that we see these challenges in the round. They may be potentially affecting particular farmers in this instance, but it could be different sectors in future iterations. We need to deal with these on the basis of principle rather than in specifics.

Q12 **Angus Brendan MacNeil:** Given what you have said, do you imagine there are any surprises coming to farmers in England or any of the devolved nations of the current UK?

**Nick von Westenholz:** There should not be any surprises. We know where countries like Australia and New Zealand, which will be the first FTAs, are strong. We know they are strong, for example, in sheep meat and dairy in New Zealand, and in beef and sheep meat in Australia. If there are any surprises, it will be because the narrative behind a lot of this is about how it is win-win: “On trade deals and free trade, everyone is a winner.” That is not right. Free trade is predicated on winners and losers, but with winners outnumbering losers and, over time, there being a net benefit to everyone. But losers are a fundamental part of FTAs and free trade. They do not work otherwise. Why would Australia want to do a free trade deal if it is not going to benefit at somebody else’s expense?

If there is a surprise, it will be that we are not necessarily getting what we are told. That is an important part of this. Going back to the Chair’s question about trade strategy, a trade strategy is needed because we need clarity about where these winners and losers will be in our trade deals and, therefore, what additional assistance and support can be given to those sectors that might come under additional competitive pressure and, indeed, may not even thrive or survive. That is part of free trade, but we need to be clear and honest about that so we can take the right actions to mitigate it.

Q13 **Angus Brendan MacNeil:** I have two other brief points. The surprise might come in the UK Government wanting to do things in haste—to do things quickly—and having to give concessions. There could be a Chamberlain-style scenario where they come back and say, “Trade deals in our time,” and then you unpick the trade deal later. Will the TAC have enough information, going forward, to ensure that that cannot happen and that your members are not surprised as a result of your position within the TAC, along with the likes of Andrew McCornick, Mr Chestnutt from Northern Ireland and your colleagues from NFU Cymru, particularly John Davies?

**Nick von Westenholz:** I do not know, but I hope so. That has to be the ambition for the new TAC: that it has the ability and the time to do proper





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assessments of these deals, so that parliamentarians can be clear on the impacts when those deals come before them for their consideration.

**Q14 Angus Brendan MacNeil:** You can see that a trade deal with agricultural impacts could perhaps hit the Welsh sector. You might have the First Minister of Wales, Mark Drakeford, quite annoyed about this. He is, incidentally, polling very highly at the moment. In that scenario, is he going to know enough? Is he going to be surprised? You did say there would be winners and losers; the losers could be disproportionately in Wales.

I should say that I keep a few sheep myself, but it is nothing by the standards of Wales, Australia or New Zealand. If the losers come out like that, what sort of preparation will the Welsh Government have from you? How much briefing will you be doing with the devolved Governments, in the meantime, to offset any surprises, shocks or negative outcomes to them down the piece?

**Nick von Westenholz:** This was addressed in the TAC report. I do not know whether Tim wanted to talk a little bit about the role of impact assessments, for example. One of the areas where we certainly think there is a prospect for it to be strengthened is with impact assessments around trade deals—not just economic modelling, but looking at distributional and societal impacts. Who knows? It depends on the quality of the information that is released on the trade deals, as they have been agreed. Of course, that is a responsibility of Government and not of us.

**Angus Brendan MacNeil:** Thank you, Chair, for indulging me.

**Q15 Chair:** Thank you very much. I do not know whether Tim would like to come in on what is in the commission report, as far as the devolved nations are concerned.

**Tim Smith:** You can see why Nick was such an effective member of the commission. Those comments are very clear, and I am sure they take in the position of the commission as well.

The thought in our minds was that looking at the impact of a free trade agreement at the point at which it is about to be or has been signed is not particularly helpful. The scrutiny that needs to go on is from the point at which a mandate starts to be created, using whatever confidentiality makes sense and is practical. That is where I go back to the point about the devolved Administrations. If the devolved Administrations are not engaged fully in creating the mandate for the negotiators, the negotiators and Government should not be too surprised if there is some resistance to what that transaction says.

That is not to slow things down; there has to be a timetable. I am always alarmed by the idea that pace is more important than the end result, as others have said. My essential point here is that an impact assessment should start at the moment a deal is conceived. It should not start at the point at which the deal is about to be struck. I have been encouraged by



DIT officials' capability and competence to understand what they are negotiating, but I worry—we say this in the report in a number of places—about whether they have understood that they need to get into the devolved Administrations and ask the right questions.

**Angus Brendan MacNeil:** Just for information, my committee, the International Trade Committee, is to be scrutinising these agreements. As regards the Australian agreement, we have only had one briefing so far. We have not seen much more than that as regards the mandate and everything else. It is almost a foreign country. I will just put that in there for information, so that people know more widely.

**Chair:** Dave Doogan, you are keen to come in. You have had to share this question with Angus today. I am sure he has left you with a few crumbs you can get your teeth into.

Q16 **Dave Doogan:** That is fine. Thank you, Chair. The evidence from Nick and Tim so far has been very helpful. I wanted to ask Tim if he could expand a little bit on the role for the devolved Administrations.

Tim, you have mentioned this in your introduction and in most of your responses so far. The devolved Administrations are mentioned 35 times in the report—I know because I have counted—but the term “devolved Administrations” in the report is bookended with “consultation”, “discussion” and “involvement”, which I would characterise as fairly watery words. I did check to make sure there was no mention of seeking the agreement of devolved Administrations. Is that not where we really need to be?

The commodities we are discussing, which will be transacted under these trade deals, are no respecters of the population split of the UK. With very significant commodities—whether it is Welsh lamb, sweet potatoes, langoustines, whisky, Scotch beef or pelagic fish—these are very asymmetric to the population and, therefore, to the democratic split of the UK. It is possible for a trade deal to be very damaging to one commodity that is very important to our devolved Administration, and that sacrifice will be taken because it is better for the UK as a whole. How has that not been discussed in more detail in your report? How can that be?

**Tim Smith:** I pretty much accept your premise. It can be asymmetric. We were challenged pretty hard, when we were out doing our engagement process, on matters that were devolved and matters that were reserved. The language in the report is pretty careful, but the tone and the sentiment expressed is that you should not expect the Government to go out and do trade deals that involve commodities produced with such importance in Scotland, Wales and Northern Ireland without doing more than consulting.

I apologise if the language seems a bit wet to you. From the point of view of the commission, Nick and the other farming union members would have liked that language to be stronger. I would have liked it to be



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stronger. If I can express my independence, let us not assume that the Government are going to take notice of that language unless they are pressed. I am assuming that others, including Henry in his national food strategy, will do as much as they can to emphasise the point you are making about the borders pretty much being permeable when it comes to those commodities.

If I could agree with you without being able to re-word the commission's report, I think I should. Angus made pretty much some of the same points. You can see that there is a variable geometry in the effect it has—we saw that in every one of our engagements when we were in Scotland, Wales and Northern Ireland. We saw a lot more passion, energy, drive and focus on what really matters than we did in the English regions. That is nothing to do with the farming unions; it was just that those people were so passionate about what they felt were risks to their livelihoods if we did not get this right.

**Q17 Dave Doogan:** Is it not the case that, in the devolved Administrations, the commodities and the produce we are speaking about are a much larger share of economic output and society in these regions? Would that be a fair assessment?

**Tim Smith:** Yes, it is a whole-nation effect. It is not just the commodity itself; it is about the land, the farming communities and the whole society as opposed to—this is a dangerous comparison to make—in some parts of England where that is not the case.

**Q18 Dave Doogan:** Stop me if I get this wrong at all. You said you may have preferred for the language around the role for the devolved Administrations to be a bit more robust. If that is the case, why is it not a bit more robust?

**Tim Smith:** We were being reminded by our experts—by the civil servants who were helping provide the secretariat to the commission—about which matters were devolved and which matters were reserved. If we were starting to stray into those matters that are devolved, we were getting raps on the knuckles from officials in the devolved Administrations. It might sound like a perverse reason, but that is what happened.

**Q19 Dave Doogan:** Given that the report is published, and it details the role for the Administrations and anybody else in the way that it does, what would you envisage as the precise influence or decision-making role that the devolved Administrations will have under this regime?

**Chair:** Nigel, you must have had some experience of dealing with the devolved nations when you were Chief Veterinary Officer. How do you see some of this working through negotiation?

**Dr Gibbens:** I have to say that I was in a very specialist area. My area was the sanitary and phytosanitary parts of trade deals and protecting animal health, although not welfare to a very large extent. I am sure we



will come back to that later. There was very much common cause there, which meant you could reach agreement when you were setting your strategic objectives. What Tim is describing is an expectation from the commission that the devolveds would be fully engaged in creating an agreement around strategic objectives, but that does not—and it did not in my case either—stretch into conducting the negotiations.

You will know better than I do about negotiations. There has to be give and take, and to a large extent they have to be done not in the full public gaze. That is where I suspect it gets difficult. From my experience, that demands an ongoing dialogue. If you achieve an ongoing dialogue, even if it does not go the way that each devolved Administration would have preferred from their own perspective, you could carry the day. It takes a lot of effort. I am drawing on my experience of trying to get the beef ban lifted. That was quite a good example of trying to do that. An awful lot of effort was put into communication around the negotiation led at UK level.

**Tim Smith:** I will add two points. First, we tried to find specific examples where bringing the devolved Administrations much more into the conversation would be helpful. Recommendation 13 speaks about a food and drink export council. We took notice of what we were told in our discussions in Scotland about having a rotating chair. We said, "Let us have one of these export councils that other nations have. When they are talking about the strength of regions or the devolved Administrations, let us make sure we allocate the chair of that body to each of the nations in turn, rather than simply assuming, as often is the case, that it has to be based on an English version".

The biggest and the most important component of our policy work in this area dealt with the impact assessment. If I look down the track at the way trade agreements are going to be scrutinised, it makes no sense unless you start that process during the mandate. Equally, it makes no sense if you do not properly engage with the Administrations in Scotland, Wales and Northern Ireland on sheep meat, for example. You cannot sit and discuss sheep meat sensibly if you have taken only the English perspective and unless you have got the impact assessment right. John Davies, Vic Chestnutt and our colleagues in the rest of Wales and Scotland would have taken the same perspective. They need to be round the table in a format that gives them genuine leverage.

**Chair:** It is a very good point, Tim, that you have made about sheep meat. Naturally, Wales, Scotland and Northern Ireland will probably have the majority of the sheep meat. It will be a bigger percentage than in England.

Q20 **Geraint Davies:** Tim, in terms of the recommendations on the terms of reference for the Trade and Agriculture Commission, is it not the case that because it is so widely drawn between protecting standards and liberalising trade, virtually anything could be agreed? For example, hormone-impregnated beef or chlorinated chicken from the United States can be allowed, can they not, with tariffs?



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**Tim Smith:** No. If something is currently banned, there cannot be any reduction, removal or compromise on existing important regulatory standards. In those two examples, the Government would have to change their food safety approach and would have to change legislation. I do not envisage and have not envisaged that happening.

Liberalisation, safeguarding standards and the things that matter most to consumers, and being fair to the farmer are at the heart of the report. We recognise that a situation in which imports did not meet the same standards as domestically produced food would not be in the interests of consumers or UK producers. It is quite a tough ask to balance liberalising with safeguarding the standards, but we think we have pretty much hit the bullseye with the way we went for our import policy in chapter 6.

I am most frequently asked, "Does this not still allow the opportunity for chlorinated chicken or hormone-fed beef?" It does not, because you cannot apply any tariff; the product will still be illegal.

Q21 **Geraint Davies:** It was my understanding that the Government plan to allow chlorinated chicken with a tariff, and then over time that tariff might be reduced. In the case that we are negotiating with the US—which is a much bigger player than we are, with different standards—if it requires us to adopt its standards in order for us, for example, to have access for our digital technologies, the finance sector or whatever happens to be being negotiated alongside agriculture, is there not still a risk that in the negotiations we will say, for example, "Fair enough, we will have your impregnated beef and your chlorinated chicken if you have our financial services"? Is that illegal? Is that what you are saying?

**Tim Smith:** Yes. Those are probably not the best examples simply because they are technically and legally not allowed. What we were doing was being deliberately myopic about agriculture and the food sector. When we had our trade negotiator experts giving us evidence, and we asked them whether what we were trying to do would be legal or practical, this was one of the questions we were raising.

We said, "Pretty much all of us around the table are committed to the food sector. We have all been in it for decades. Our primary interest is protecting the needs of consumers and producers, and having safe, sustainable and affordable healthy food. That is our reason for being. We are not interested in aeronautics; we are not interested in cars or chemicals. If we make these 22 recommendations, is there a danger that we get laughed out of court simply because they are about only agriculture?" We were consistently reassured throughout the process that, if this is what the recommendations said, our negotiators could hold to those principles and those themes.

I am now less worried than I was when we began the commission's work about the risks that might occur that could impact on farmers, growers and consumers.



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Q22 **Geraint Davies:** When the Agriculture Bill and the Trade Bill were being negotiated, there was an attempt to put specific standards on the face of those Bills. That was resisted, in order to have some sort of flexibility in the negotiations. You say it would be illegal to introduce chlorinated chicken; just so I am clear, under what law would that be illegal?

**Tim Smith:** It is the Food Safety Act. I was hoping you were not going to ask me the specific Act.

**Geraint Davies:** I'm sorry; I do not mean to be difficult.

**Tim Smith:** If you had the Food Standards Agency in front of you, it would be able to tell you the specific part. When the FSA looked at chlorinated chicken, as it has done a number of times, the science and the evidence behind it is not compelling enough to hold that particular line. Nobody wanted to be responsible for introducing the product into the UK, so it remains illegal to sell it in the United Kingdom.

Q23 **Geraint Davies:** That is very helpful. I will turn to Nick from the NFU with a similar sort of question. Are you reasonably confident that, within the balance between protecting standards and liberalisation, we will not have a situation where the United States successfully demands that its standards are adopted by us, because it is bigger than we are and we want other things?

**Nick von Westenholz:** This gets to the heart of the reason we wanted to get this commission set up in the first place, which is that the whole issue of standards in trade is incredibly complicated and cannot be dealt with by a few bans here and a few bans there. Tim, absolutely rightly, has set out the fact that bans on hormones in beef and chlorinated chicken exist in UK law. In the last couple of years, the Government have, to be fair to them, been clear that they do not want or intend to remove those bans. I would be incredibly surprised if they did, off the back of that, and they would face a huge backlash. What that means for a US trade negotiation I do not know. It will make it tough.

The truth is that those bans exist because of food safety concerns. Whether those food safety concerns are justified by the science is a separate question. They exist in law and are justified in trade policy on the grounds of food safety or, more broadly, SPS concerns. That is perfectly doable under trade laws. You can ban things because you are deeming the product as unsafe.

Where we have some broader issues on standards is in concerns over things like animal welfare, where there is much less ability for countries to impose controls because they do not like the way a certain good was produced. Stocking density in poultry or certain practices in rearing livestock might be examples. When we say, "We can just say that these are our standards, and we will protect them", it depends on whether we are talking about production or product standards, because they are very different.



It also depends on what exactly we mean by “standards”. As an arable farmer in England, I have to meet lots of requirements for when I can and cannot cut my hedges. It is a standard; it is a requirement. It adds a modest but indirect cost on me farming, but it would not necessarily make any sense whatsoever to apply that standard to all imports. Farmers in Australia might be surprised that they have to meet hedge-cutting requirements if they do not have any hedges.

It is a complicated area. Ultimately, what it comes down to for us is that UK farmers, to meet certain public policy aims like animal welfare or environmental protection, have to shoulder some significant costs in doing business. Therefore, it is reasonable to ensure that they compete on a fair playing field with imports that might not have to otherwise meet the same sorts of costs.

**Q24 Geraint Davies:** Can you just remind us what the three-pillar approach is? Is it strong enough to deliver those standards?

**Nick von Westenholz:** It is quite complicated. It is set out in the report regarding import policy. I suspect different members of the commission might emphasise different elements of the approach, but for me the really important part of it is the establishment of core standards. The commission did not set out what those standards should be. It is for the UK Government to assess the standards of things like animal welfare, food safety and environmental protection that UK farmers and food producers are required to meet. Those are important to establish a list of core standards that should be applied to imports as well.

In our free trade agreements, where we can exercise much more flexibility on imports—almost like a contract, you can write it into your deal—you essentially introduce a mechanism that means that imports, if they are to get tariff liberalisation and have that preferential tariff treatment, have to meet those core standards. If they do not, there is a mechanism set out in the recommendations for applying tariffs to make it basically not cost-effective for them to export into the UK market. More importantly, though, it would ultimately constitute a breach of the agreement.

**Q25 Geraint Davies:** You mentioned earlier that there will be winners and losers. In terms of protecting UK producers, can you explain the so-called anticompetitive market distortion mechanism and how that works to protect UK producers? Will we have enough time to get the evidence together to put it into action?

**Nick von Westenholz:** That is the second bit that I mentioned: the mechanism by which you enforce the requirements. I do not want to go into the full details of it but, essentially, where a trade partner is not meeting those core standards in exporting into the UK market, if there is a competitive advantage for doing so—which you assume there would be to make it cost-effective—there can be a retaliatory tariff put in place on



that product, which would essentially make it no longer competitive to do so.

You are right: as you have touched on, there is a process that might be involved. Indeed, one of the concerns I raised in the commission, which we have talked through a little bit, was that it could be costly and quite cumbersome to introduce this as a process. I think that is still correct. At the same time, one of the advantages of this trade remedy is that it is very unlikely to be able to be used as a protectionist measure, with somebody pretending they have a case when in fact it is simply protectionism. Secondly, it is likely to be much more acceptable to trade partners because it deals with a trade distortion and rectifies that through this mechanism.

There is a broader point that I want to flag. If a country does this almost by error, this mechanism allows a rectification through a tariffication process. If there is a fundamental breach where a country has agreed to meet the core standards and yet is exporting goods that are not meeting those core standards, in my opinion it would be breaching that free trade agreement and you would look to other dispute resolution mechanisms within that FTA. It would almost be a breach of good faith in the agreement. With this mechanism, you have a way of enforcing your approach to standards, but there is something broader beyond that about a breach of the agreement itself.

**Q26 Geraint Davies:** Is there any risk that we could import something into the UK under a trade agreement that would be lower than EU standards, and then have a retaliatory tariff from the EU? Is that a risk?

**Nick von Westenholz:** I guess it is a risk. I am not sure how likely that is. We are getting into a whole new area. There are a lot of unknowns about how the UK and the EU are going to use some of those rebalancing provisions in the TCA when each party might diverge in terms of regulation. Yes, it is certainly possible that it could happen, but whether it is likely I do not know. It would miss the point behind this approach, which is that the UK enters into an FTA with a third country with a very clear list of core standards that it requires that country's imports to meet. The ACMD mechanism is a way of putting right any breaches, but ultimately the deal itself is based on an agreement, a handshake, that an exporter is meeting the core standards as set out.

It is key for the Government to establish that list of core standards. That is absolutely fundamental. We can all then see that and make sure it is at the heart of our trade policy, and indeed, in due course, at the heart of our import policy more generally.

**Q27 Chair:** I have a question for Nigel Gibbens. On the point that Nick was just making about laying down our core standards, how confident are you, with your veterinary experience, that we could defend these both in a trade agreement and if we were challenged by the WTO or taken to the WTO by any trading partner?





**Dr Gibbens:** I am very confident. This is the area where the international framework is very well established. You have international bodies setting standards that you can rely on in defence of the standards that you choose as your own. You simply adopt them, which is what we do most of the time. If you wish to go further than that, you do it on a science basis.

It is an interesting point. If you were to vary your standards—you would not be lowering them—in relation to a third country in an FTA, thereby being different to the EU, you would have done it in a risk framework that secured you the same animal health, plant health or food safety outcome. This is a very, very well-trodden path. All the international players understand it. Provided you do it well, you can defend your position.

I raise chlorinated chicken again, only to say that it is a very good example of one where you can be challenged. That has not happened yet, but it could. That is what the appellate body of the WTO is for: to resolve those issues. The UK operating on its own in line with this policy can defend its position very well, provided it uses a risk framework and it relies on the evidence.

While I have the floor, though, what Nick touched on is that the scope of standards that could be applied in the context of a free trade agreement, in line with what we discussed in the commission, is much broader. It takes you from the basic areas of animal health, plant health and food safety, which are so well established, into the rather more forward-looking areas of animal welfare, the environment and ethical trade, where countries are starting to make progress. This starts to make trade policy a tool to deliver global public goods. For me, that is what is really exciting about the report, and it breaks new ground. That, too, is defensible. I am sure we will come back to the position of the WTO, but there is an awful lot to play for in this area of expanding the scope of the impact of trade policy.

Q28 **Geraint Davies:** Would that go over into climate change? We are hosting COP26. Is the framework as set out fit for the future in promoting less climate change or does it not really cover that?

**Dr Gibbens:** It is a key recommendation of the commission that climate change should be viewed as a matter of urgency, and should be one of those areas where standards are brought forward that could be applied quickly. When you read the report, you see that there is a danger that everything is done in the course of influencing international bodies over the longer term, although free trade agreements can be done quite quickly, perhaps. Certain things demand a much quicker resolution and approach, and COP26 is a real advantage in getting to grips with climate change.

The commission discussed this a lot, and it is fraught with difficulty. It is unlike my world of animal health—there is a pathogen or not; there is a risk of pathogen or not—where the metrics are very well set out. For climate change, they are much more difficult. The warming impact of



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different agricultural practices is much harder to define in a way that means you can set standards on a like-for-like basis. But it has to be gripped. It is a key recommendation of the commission that this should be done, and it should be done quickly.

**Chair:** Thank you, Nigel, for those very clear answers.

Q29 **Dr Hudson:** I declare an interest as an MP who is a veterinary surgeon, so forgive me if I focus on animal health and welfare standards. I want to thank our witnesses so far for some excellent evidence. A recurrent theme has been the importance of upholding our standards, but my concern—Nick has articulated this—is that the Government need to crack on and we need to define what these core standards are for the trade deals that are ongoing now.

I do have some concern. Nigel, correct me if I am wrong, but you were asked about the Australian trade deal and you said, “I am not aware of any of the details of the negotiations.” I find that a bit alarming from the Trade and Agriculture Commission, given that that trade deal is ongoing.

Tim, you said you were assuming the negotiators had read your report, but we need to be having input into those current negotiations—veterinary input and input on animal welfare, health and standards and that side of things. What are your thoughts on that? Do you share my concern?

**Dr Gibbens:** I used to be a member of the Trade and Agriculture Commission, which has now reported and its job is done; I am not anymore, so I do not have a role. The current Chief Veterinary Officer very firmly does and would wish very keenly to make sure that the animal health standards we have in place now are maintained. I am very confident that those will not be at risk.

Animal welfare is a different thing, as I alluded to earlier. The commission has pointed to opportunities to do more on animal welfare. If you look at chapter 6 on trade policy, the first pillar is your general trade policy. There is an opportunity and a decision to make about whether you place any animal welfare requirements there. Battery cages might be one; not using sow stalls might be another. We are starting to see precedents emerging from that. You can make some advances, but for me those are quite limited, because it has an impact on people who trade with us and it has a domestic protection impact.

More broadly, you probably want to advance animal welfare globally, and that is where free trade agreements come into place. You can start to seek alignment across a much broader front of animal welfare concerns. That brings you to the standard-setting organisation OIE and its welfare standards, which are in place but not perhaps broadly adopted, depending on where you are. There are real opportunities here.

I have deviated from your question, because I wanted to get that point in. Why am I not involved? It is because I do not have a role.



**Q30 Dr Hudson:** Maybe I will throw this to Tim. I guess what I am getting at is that your excellent work for the Trade and Agriculture Commission has finished, the report is there and the Government are considering it. Negotiations are ongoing, but you are not able to feed into them because the Trade and Agriculture Commission mark 2 has not been constituted. This goes back to Neil's question at the beginning. How can that input come into these live deals that are on the table now?

**Tim Smith:** You are right to draw the distinction between the existing statutory body, when it comes into being, and our commission. We are very clear—it is recommendation 4—that we want the UK to use its science and evidence base to lead on animal welfare in negotiations with third parties, using expert advice. When we talked to people like the RSPCA, they were able to explain to us how that would work in a practical sense on the ground, and how CVOs in each of the countries would be able to map their existing experience and knowledge, to see where we could lead.

The international body that Nigel mentioned is part 1, but where we think we would make the most difference is when we are sitting across the table from another party negotiating a free trade agreement that has new and leading animal welfare components to it. You are absolutely right, Neil, that there is a gap, but I just have to cross my fingers and hope, in some ways, that the negotiators, some of whom we spoke to during the course of our investigations and report, have read the report and figured out that they are not going to be thanked for doing anything that simply holds animal welfare in its present place, even if that is an agreement to agree to improve animal welfare standards sometime in the future.

It was one of our principles, it is within the five themes and it is a headline message from us that there are real opportunities, as the UK takes its place on the world stage for the first time in 40-plus years, to do some good, innovative, creative and leading work on animal welfare.

**Q31 Dr Hudson:** Thank you. That is really helpful. I guess I am still slightly alarmed when you are using terms like "crossing fingers". We are going to get on to parliamentary scrutiny later, so I will not get into that territory. It shows that the EFRA Committee and the International Trade Committee have an important role in making sure that those crossed fingers do work.

Tim, I was reassured when you confirmed to us that products such as hormone-treated beef and chlorine-washed chicken would remain banned. Those are the two emblematic products that everyone talks about. Are you confident that other products that are technically banned—ractopamine-fed pork, bovine somatotropin and that side of things—will remain banned, come what may with FTAs?

**Tim Smith:** Personally, yes, I am. We contemplated what could go wrong in an FTA compared with the previous situation in Europe and the idea that somebody might inadvertently, at three o'clock in the morning, do a



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trade deal that caused any of those to be relaxed. I was reassured by all the experts that we listened to that they are protected by legislation and regulation. There is no immediate risk that I can foresee.

The Government would have to change their position on any of those. If they were to change their position on any of them, it would have to be science and evidence-led. It could not just be on the whim of a negotiator or a political manoeuvre. As Nigel said earlier, the backlash to that would be tremendous. We are protected by good public interest as well as regulation.

**Q32 Dr Hudson:** Thank you. That is very clear-cut on banned products. There are other products—this comes back to Nick’s and Nigel’s points about defining core standards—where it is a little greyer and there are not definitive bans, such as in respect of the amount of antimicrobials used in production and that side of things. You feel that they will be covered in the tariff model—that high tariffs could be placed on products that we deemed to be below our standards. Is not the problem with a tariff approach, rather than bans, that tariffs can always be negotiated and brought down?

**Tim Smith:** Pillar 2 of free trade agreements, as Nick described so well in answer to an earlier question, covers those areas that are important to us, such as environment, welfare, ethics, labour and so on. They are, we think, pretty fundamental to the UK’s positioning in respect of a free trade agreement.

For example, we looked at antimicrobial resistance—that is recommendation 5—and it is an interesting example. Since the Jim O’Neill report, the UK has done a phenomenal amount behind the scenes. Farmers, growers and all the activists in the sector have got busy and reduced the amount of antimicrobials that are used in normal farming practices. We want to look up and find that others are doing the same thing. It would be sensible, if the Government were setting out what the core standards will be, to include the WHO’s global action plan targets on antimicrobials.

There does not seem to be a reason—unless Nigel knows of a veterinary reason—why you would not make that a contingent component of pillar 2. It is one of those areas where I would be squeamish about allowing a tariff to sort the problem out, but it could in the short term. It could be used to give a third country an opportunity to sort out its veterinary practices in a way that we all agreed was the right thing to do.

You have hit on a really important topic for us. We know we have led on antimicrobial resistance in many respects, and we know we have done that without regulation. We think we can import that into our free trade agreement conversations.

**Q33 Dr Hudson:** If I can quote your words back at you, you said you were “squeamish” about allowing tariffs to sort a problem out. That comes to



the heart of the issue: they are not a failsafe in sorting an issue out. It would perhaps be safer to articulate clearly what is unacceptable rather than what could be dealt with through tariffs.

Coming back to the points that Nigel made, welfare standards have been addressed in trade negotiations before—for instance, with Chile, and that ended up improving slaughter standards in Chile. That was an animal welfare benefit. Would another approach be to insert chapters into these FTAs that articulate which products are completely unacceptable? Yes, you include the ones that are banned—hormone beef, chlorinated chicken and ractopamine pork—but you also articulate some of these other unacceptable practices, such as the excessive use of antimicrobials. If they are clearly written into chapters in trade agreements, our negotiating partners would be very clear—“These are unacceptable products; we will not put them on the boat to you.” Would that not be an alternative?

**Tim Smith:** It is not an alternative; it is the intention. The idea that you have just described is one that we did not write into chapter 6, which is the import policy, because if we had given individual examples, we would have spent hours and hours describing, defending and promoting the cause for each of those. As Nigel and Nick have both mentioned, we said, “Government should establish which are the red lines or the no-go areas for them.” Let us take antimicrobials as a good example. I would expect that to be written into the core standards and for it effectively to form the basis of the free trade agreement in the legal setting.

Q34 **Dr Hudson:** I am really encouraged to hear you say that, Tim. I have been pushing and asking Government Ministers to do that, and there has been a slow acceptance of that. We have the Australian deal ongoing now. These core standards are not defined, so these red lines, effectively, will not be inserted into those deals. It is there as an aspiration, but it is not there yet.

**Tim Smith:** Nick and Nigel might have a view too, but my sense is that this is hopefully just a question of timing. This is one of those moments in time. I am sure the Secretary of State is not delaying giving us a response to the report for that reason, but that might be the effect it appears to be having. I am sure that officials watching this in DIT will know that we have said very clearly on antimicrobials, for example, that the standard should be written into the free trade agreement.

**Dr Gibbens:** You are starting to explore the issues of deliverability, which the commission grappled with. If we go too far too quickly, we will put ourselves so far to the boundary of normal business that we will not be doing business with anybody. Then our ability to change the world through trade, which is what we are about, will be reduced.

Some very careful consideration has to be given to what you put in as your red lines. If you look at chapter 6, pillar 1 is general trade policy. There might be some things that you can put in there to say, “We will not



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trade with anybody unless they meet this particular standard.” Some of the ones we are most familiar with are already there. What goes in there is quite important, and it might be too much too quickly. Then Tim’s point is right: there is a timing issue.

If you then use pillar 2 and you are intending to move most of your trading partners to free trade agreements, you can create a path that gets them to where you want them to be. You have to have regard to the Government’s policy of liberalising trade. You are liberalising trade and, at the same time, delivering that added value through trade.

Again, this is another reason that the commission should not have done this, because the devil is in the detail. What the Government choose to do has to be arguable, deliverable and get us there in the end. I am sympathetic to your argument, but the red line has to be very carefully chosen.

**Nick von Westenholz:** I do not have a lot to add other than to agree with Nigel and Tim. Nigel’s point there is key, and I mentioned it earlier: through FTAs, you have a lot more flexibility on what the terms of trade are with that particular partner. I take your point about the potential weakness of tariffs as a trade tool, but at least tariffs are recognised and perfectly permissible within international trade rules.

You might find, for example, that if a trading partner does not agree with what you are trying to assert through an FTA, it can still, as long as a product or good is permissible in normal trade outside of an FTA, seek to export that at the normal MFN tariff. As Nigel has set out, if you impose a wide range of standards through your general trade policy, there is a higher chance that those get challenged, that you get caught up in trade disputes and that you might even face retaliatory measures, et cetera.

That is not to say that there are not some interesting things here. The UK Government should be quite ambitious about what is in that general trade policy and what sorts of things they might seek to restrict or ban, but they should be aware—we were very aware of this—that the rest of the world, and certainly WTO members, are not necessarily going to roll over and allow us to do so. In an FTA, there is a shaking of hands and an agreement at the end of it, which is important.

**Dr Hudson:** Thank you. That is really helpful. The point I was making was not necessarily about the broad standards you are stipulating. If you specify individual products, that is not so far-reaching. It is just saying, “These certain products are unacceptable”, and then trading partners will say, “Okay, we won’t sell them to you. That’s fine,” whereas the definition of broad standards is a big grey area and very debateable across the globe.

**Chair:** I know you will keep a close eye on that, Neil. It is very good—we are having a great evidence session this afternoon.



**Q35 Angus Brendan MacNeil:** Last week, the International Trade Committee had three witnesses from across the Brexit spectrum. When asked at the end whether they expected the Brexit process to increase or decrease trade, they all felt that Brexit would decrease trade. The one Brexit supporter had some caveats, of course, which were other areas of hope for him.

Keeping that in mind in terms of agriculture and the effect on agricultural trade, I want to ask you about the concerns you might have that trade agreements that are yet to be negotiated—in respect of CPTPP or with the United States—may result in UK agri-food being impacted negatively. If the UK is, as those witnesses were saying, going to be trading less, one of the sectors most affected by that might be agriculture.

Do you have any views on, first, the agreements and then the overall trade that you expect will be happening in this area in the next couple of years? I can see Nick nodding there; Nick, it is dangerous to nod. It is like being in an auction in Oban or Dalmally—either you have bought 30 lambs or you are going to be answering my question.

**Chair:** It is always dangerous.

**Nick von Westenholz:** You are right. I mentioned earlier the potential impact from these trade deals on the agri-food sector. The cumulative impact is the thing we are really concerned about. We are negotiating with, by and large, fairly large agricultural exporters. There can be no doubt that there is a risk or a threat to UK producers.

In the report, we tried to address this to some degree. We have just talked a lot about standards, which are important, but the way we approach standards is on their own merit. We think that some of these issues are important, such as animal welfare or environmental protection, and therefore we safeguard those in our trade policy on their own merit. What you are touching on there is the commercial risk or threat to the agri-food sector in the UK.

**Q36 Angus Brendan MacNeil:** I am sorry, but, for a bit of clarity, the maintenance of the EU market is very important, before any other market. If there is any impact on that, that will probably bring truth to the words of the witnesses that there will be less trade from the UK.

**Nick von Westenholz:** Yes, that is right. That is also a fact about our home market. One of the things we might want to do or focus on, particularly in the wake of Brexit and off the back of the Government's levelling-up agenda, is growing UK farmers' share of their own market.

I am quite intrigued, because a lot of what I read about the Australia deal is about Australia wanting to take import substitution. They want to take bits of our market that are already taken by, for example, Irish beef. There is an interesting debate there, and I am sure the Australians and Irish would have some interesting conversations about that. My view would be, "What room is there for UK beef producers within that? Should



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UK beef producers not be looking to expand their production into that market?" Instead, we are potentially inviting all sorts of other producers from all over the world to have a go alongside us. That, of course, is a risk.

It is almost a philosophical question as to whether that is acceptable or not, but from my point of view, from the farming perspective, that is not something we would necessarily welcome. It will have an impact on important things, such as our food security. There have been questions about that milling around over the last year and a half. How much of our food is it wise to be able to provide from these shores? How do we look after our environment here? You have to remember that over 70% of the UK landmass is farmed. If you do not have farms on that land, how are you managing it, at what cost and to what standard, to coming back to that earlier point?

The final point I would make almost goes back to question 1, about trade strategy. In the report we talk about joining up domestic policies with trade policy. I am a little concerned that we hear some very strong, ambitious and optimistic talk from Government about trade policy. We welcome a lot of that because we want to grow our exports as well, but where is the plan alongside that that says, "This is how we get UK farmers match fit, competitive and able to take on this extra competition we are going to be bringing into the marketplace"? It sometimes feels as if there is an assumption that maybe, fingers crossed, that will happen.

Most other countries around the world, particularly those that have liberalised trade heavily in the last couple of decades, have brought forward trade adjustment assistance schemes and the like, alongside other major policy initiatives in their domestic markets, to bring their agricultural producers forward and make them more competitive in the new environment they are entering.

**Dr Gibbens:** We fear liberalisation of trade quite reasonably, because we are a small market and we could face some quite aggressive competition from people with lower production costs than we have. That has to be dealt with somehow. But there are benefits from competition. When you look across agriculture, there are areas where we are good and areas where we are not so good. Those places where there is room for improvement will need to improve. As Nick said, this is not a win-win. This is potentially a win-lose. We have to recognise that that is the case.

Nick's point, among others, was about the need for a route to supporting farming in key sectors to improve its productivity, to improve its competitiveness and to get that domestic and, potentially, export market.

Q37 **Angus Brendan MacNeil:** How would you do that, Nigel, just off the top of your head? The thing you would do to achieve that—this is what came into my mind when you were speaking—would be to make bigger units, which would mean that some farmers would be seeing the end of the road. You might not be envisaging that, so I should have resisted putting





words in your mouth

**Dr Gibbens:** Big units have their place, and they can be very welfare friendly too. Big dairy units, for example, can have advantages on welfare. They can also not, if they are managed badly. That is the point: it comes down to how our livestock farming is managed. The best of our livestock producers are as good as any in the world; the worst are definitely not. There are areas of management—straightforward management, grassland management or, in my area, particularly disease control—where there is plenty we can do with enough incentives.

Without getting too technical, there are cattle diseases that we still tolerate for which we could be deploying eradication programmes. Scotland, to its credit, and Northern Ireland are pursuing that; England has been less successful. We could crack on with those and improve our productivity, improve the lot of our farmers and improve animal welfare while we are at it, but only if we manage to harness the benefits of competition, rather than getting sunk underneath it.

**Q38 Angus Brendan MacNeil:** Tim, do you have any concerns about a US trade deal, if it happens, of course? It is maybe not worth the candle for the US Administration to pursue it, but let us pretend they are going to, for the sake of the question. Take CPTPP as well. What are the risks in that area?

**Tim Smith:** I will go back to the export question, if I might, because I want to add one thing. We have made a number of recommendations about how to strengthen the export capability of the food sector in the UK. It would make us nervous if Government did not invest sufficiently, both in those countries and in the UK, in providing routes to market—opportunities that are not the trivial amounts we hear about in trade deals but really substantive ways of getting great-quality agricultural produce sold overseas. That goes back to this impact assessment approach. Who asked the dairy companies in the UK that produce skimmed milk powder what their volume capacity and capability is for the next five years? The answer is that nobody did. In thinking about these trade deals, we need the Government to do a lot more to facilitate that. Yes, competitiveness is an important component.

On the US and CPTPP transactions, we want somebody—it will be the statutory TAC and other components of Government—to have sensibly sat down, looked very carefully, done a paired comparison between the standards and set up a very clear mechanism to deal with how you balance that liberalisation with safeguarding standards. None of us will be thanked for letting this opportunity slip, and we have plenty of time to prepare for it.

It has been possible to do that paired comparison on a desk all the way through, so I am assuming that our negotiators have been carefully analysing what we do well and what our competitors do well. We have things to learn. This is not a one-way street. We were talking about



liberalisation and standards earlier. You can assume that there is a process of reciprocity in there, which means we have to hit their standards too. That might provoke one or two challenges for us, but it is about opening our eyes to those opportunities and recognising that there are some risks.

**Q39 Angus Brendan MacNeil:** While I have got you in the spotlight, quite a lot of what we are talking about is about new markets, new trade deals and what they might give us, but I want to ask whether, as the current UK, we will hold what we have—I am particularly thinking of the European market. I suppose we will know in the autumn anyway when the bulk comes on. Will UK sales from the farm and the croft, as it were, into the EU diminish over the next 12 or 24 months?

**Tim Smith:** Our quality and standards process is going to hold us in good stead. There cannot always be winners. As we have said in the report, and as Nick and Nigel have both said at different times, the cold reality is that not everybody can win. But there is enough in our agriculture sector—in both the current systems and the innovations and creativity behind the farming groups, producers and growers—to give me confidence that, even if we see a dip, it will turn out to be a dip and we will accelerate again as we learn to deal with the new realities.

**Angus Brendan MacNeil:** I will take that as an optimistic note on the volume that is exported to the EU being maintained.

**Q40 Dave Doogan:** Colleagues, I am looking for clarity on the report's noble ambitions that the UK will show world leadership in embedding animal welfare into trade policy. I am seeking to better understand, if possible, what that might look like. The concern I have is that, if you look at the data from the Food and Agriculture Organisation of the United Nations, it shows that, across chicken, beef, pork, sheep, goat meat, turkey and duck, the UK does not feature as a top-five producer of any of those commodities. We can all predict the countries that are on that table, and in the European context they include Germany, Spain, Poland, France and Hungary. No matter how noble the ambition, is anybody going to listen to the UK?

**Tim Smith:** You raise a really interesting question. As we approached the beginning of our work—not just on animal welfare—assertions and assumptions were being made by the sector, which we were listening to, in respect of where we were seen to be, or at least aspired to be, world leading. As you have rightly asserted, that is not always the case. Where we have done a really good job—retailers, manufacturers, farmers and growers have all collaborated to make this work—is in making sure that what matters most to consumers in the UK is reflected in the standards applied in producing, in particular, those products of animal origin.

I am comfortable that, in UK terms, we have done a pretty good job, with more to do. Nigel can support this better than I can, but in essence taking our place around the international tables for the first time, as opposed to



as part of the EU, gives us an opportunity not just to preach and promote our own standards, but to learn from others, with the benefits that that might accrue for both the animals and the consumer.

**Nigel Gibbens:** It is a very good challenge. We are a major consumer, so our import policy, although it will not change the world, will have an impact. We also have a history on animal welfare, not only nationally but in the international fora. We can have a useful impact and we have a good base in our ability to generate evidence-based welfare policies. This is where the report talks about needing to take a hard look at what we are seeking to promote and the evidence that underpins it. It is not necessarily the headline-grabbing areas that we should deal with, because they are totemic in the UK—battery cages, sows in sow stalls—but general systems of production and how that is achieved. There is a segue to the use of antimicrobials, because systems of production can also drive antimicrobial use.

We need like-minded countries internationally, with the same things in mind, to press forward on animal welfare. We have a great role to play: we can bring the evidence and we will have an independent voice. There is no reason to stop working with the European Commission—the UK tended to speak for the European Commission, in international fora, on animal welfare. We can have an impact, but we have to understand that we will do it by working in partnership. The commission reflected quite a lot on the need to influence through international organisations, but also through like-minded groups. You need a group of nations together, recognising a challenge and being able to deal with it. We should not miss that link between animal welfare, production systems and antimicrobial use, because there is a potential opportunity there.

Q41 **Dave Doogan:** Nick, I will slightly reframe that question for you, as somebody who is actually in the industry, although I think you are in arable. I believe we should be very proud of animal welfare standards in the UK, and I certainly am in terms of what we have achieved in Scotland, but some of that is because, on a global scale, we do not do the volume that these mass producers do. Therefore, our market has been set up with room for that type of animal welfare and those standards of production. Aren't we now seeking to achieve a competitive advantage in that very global mass market for meat production? Is it compatible in any way, shape or form with the high standards we have delivered over recent decades?

**Nick von Westenholz:** Back to Nigel's point, we are not going to change the world just through our import policy, but we are an important market for many people. There will be an impact there. In terms of global leadership, there are market signals that we can try to use to raise standards, but at the same time much of this is derived through the approach of some of the international standard-setting bodies, and increasingly through plurilateral agreements and otherwise.



The idea behind a lot of the TAC recommendations is what you might call trade diplomacy and bringing standards up globally and slowly. It will be a slow process, but by finding an approach that others agree with and follow, over time we can raise those standards globally. It is not the UK market by itself that is going to be the pull; it is the approach that UK politicians have on the global stage.

This is increasingly becoming a live issue. It probably was not even 10 years ago, but these issues are much more pertinent now, particularly around environment and climate change. There may be a distinction on those issues with animal welfare. There is a relationship and, as people start to ask much more searching questions of how their food is produced, there is going to be a stronger agenda globally about what the standards we should meet ought to be.

Ultimately, you are right: UK farmers are not necessarily going to go toe-to-toe with many of these producers overseas in the way that they produce at the moment. That comes back to the concerns about the competitiveness issue. There is no impression that the UK Government are going to deregulate or lower standards here, as we have discussed—certainly not wholesale in a way we would not advocate but would probably be the only way you could ask UK farmers to go toe-to-toe. The focus ought to be the other way. That is really at the heart of what we are proposing in the TAC report and what the NFU has been advocating for: that we need to find ways of raising standards globally, rather than asking people to compete at a lowest-common-denominator level on standards.

**Chair:** It is a great session, but we are beginning to run over on the time. We will try to keep things a bit more succinct, if we can, from now on.

Q42 **Angus Brendan MacNeil:** As a Chair, I can sympathise about timing.

I want to ask about something that was touched on earlier by either Nigel or Tim: the idea of building coalitions with like-minded partners and the standards going two ways. Would others join us? What demands might be made of the UK in such a scenario? Might people demand a change of standards in an upward way?

**Tim Smith:** I am going to go back to my Food Standards Agency days and remind myself that, whenever I travelled overseas, talking to nations that we now have the potential to trade with, at the expert level—whether it was regulators, vets or the people promoting the cause of a specific industry—there was always common ground to be found on the sort of issues that the commission dealt with. There is a warmth and an enthusiasm to work collaboratively, and I do not just mean conferences for the sake of them. I am talking about making real inroads.

I suspect that, on something as topical as climate change or antimicrobial resistance, where we can find the skills and expertise that are present in the UK in universities and research institutes, that will be really useful in



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helping the diplomacy that Nick just referred to and building our relationships based on that science and evidence. Nigel has direct experience and mine is a little older.

**Q43 Angus Brendan MacNeil:** There was high praise for the UK experts there. What can the UK learn from others that would drive up standards? Is there anything?

**Nigel Gibbens:** In terms of the way it is operating, New Zealand is exemplary in both the way it pursues its export interests and how it influences internationally. It is not huge, although agriculture is really important to it. It has become central to Codex, which is the food standard-setting body. It is central to the OIE—the World Organisation for Animal Health—which is the animal health standard-setting body. I am not at all an expert on plants, so I am not sure whether it has captured the IPPC.

New Zealand punch above their weight, and they do it by being pragmatic, science-based and even-handed. They will offer trade advantage to a trading partner as part of their long-term plan to get where they want to be. That is not so much the plurilateral; that is how they behave, and they do it very well.

On the plurilateral front, Tim is right. You need to pick the right areas, and I am afraid welfare probably is not the one. We will need to chip away at welfare over time, in free trade agreements and in the international organisations. For the big-ticket items, like AMR and climate change, there is a real opportunity to get like-minded countries to work in partnership.

**Q44 Chair:** This question is really close to my heart. We have great British food and we want to get out there and sell it to the rest of the world. We need competitive exports and the Government need to help us get into trade fairs across Europe and the world. How are we actually going to do that? At the moment, I do not think we play a good enough game. How do we up our game? The Government quite rightly talk about selling abroad, and the Department for International Trade marks it up. How are we going to get out there and, to put it bluntly, flog our great food?

**Tim Smith:** We have a lot to learn from those organisations that make a virtue of importing food, because they go out and they have representatives touring the world, usually because they are following the sun, for produce, fruit and veg, flowers, et cetera. They know what it means to do trade on the ground with farmers, growers, co-operatives and Governments. If the Government look very carefully, they will see that the recommendations we are putting up are largely to say, "Mirror the responses you see from organisations that find themselves with a need to go overseas and source, and treat yourself as an organisation that is going to be that source. What do we need to do? What infrastructure needs to be in place?"



This is not just about the Government; I have no doubt that Henry Dimbleby will have something to say about this. If we are to export, it is everybody's responsibility. It is the responsibility of the manufacturers, farmers, growers and their trade groups, with everybody putting their shoulder to the wheel. I am going to come back to something I keep banging on about: there is much to learn from by listening to the devolved Administrations about how to promote the sale of food and drink overseas.

- Q45 **Chair:** Nick, we have the AHDB—the levy board for beef and lamb—and the farmers paying levies, and we have Red Tractor and all those things about standards and assurance. How can we get that out into the marketplace and make it more international? How can we compete with the Danes, the Dutch, the Germans, the French and others when they are out in those international markets in the Far East? We have to not just talk about it; we have to do it. I fear there is more talk than action, not necessarily from your good self, but—dare I say it—from the Government. How can we get all these other organisations to help to deliver this?

**Nick von Westenholz:** There are six recommendations—recommendations 12 to 17—on export competitiveness. We cover it a lot and make quite a lot of strong recommendations. I hope the response from Government, from DIT, will address those in detail. To give the Government their due, recently they have attempted to significantly increase their activity on export promotion. They have something called the Open Doors campaign, which they launched in February, to try to improve our export performance and present more opportunities for businesses to export abroad.

I know there is quite a lot of thinking going on in DIT about this, which is really positive, but as you say there is a lot that can be done. You mentioned the AHDB, which has a very important role to play—in the report we talk about AHDB. We talk about the potential to establish not only an export council, which would be a co-ordinating body across the four devolved nations, but other bodies, to bring a really comprehensive and coherent approach to export strategy. I think that is sensible. AHDB does not cover all sectors, as you know, and it does not cover the entire United Kingdom, so there will be gaps, but something like AHDB should be central to that.

The NFU has talked about the possibility of Government match-funding the levy that goes into AHDB for export promotion. You have a partnership approach and a significant amount of resource there to go away, identify market opportunities and promote British food. That should be at the core of it, but you need to find other bodies to fill in the gaps and make sure it is a coherent response.

- Q46 **Chair:** Sorry to interrupt, Nick, but we need bodies on the ground in the developing markets who are dealing with the trade issues, day in, day out. Are we getting enough people out there? Are your proposals in the commission enough to promote British food? I will go on and on about



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this because it is something I have spent years talking about, and we have to do it now. We have the opportunity. We are a free trading country. We are out of the European Union. Let us stop talking about it; let us do it. How are we going to do it?

**Nick von Westenholz:** I was about to come on to that. We talk about boots on the ground in the report. I chaired the competitiveness working group within the commission, and we looked at this in some detail. It was quite difficult to get a handle on what our footprint is out there, in the embassies across the world, and what resource we have. We have one councillor in China and one in the Middle East promoting food, but that is nowhere near enough.

If you look at the resource that the US puts into the Foreign Agricultural Service here in the UK, you see that a number of staff are here and across the world doing all of this. In London, as the NFU, every day we deal with agricultural attachés in embassies from across the world. They have a handful of people in each embassy dealing with agriculture—promoting it, looking at market opportunities, et cetera. There is no doubt that we can do significantly better in terms of boots on the ground, local intelligence, two-way information here into the UK. That will require resource, and that is something the Government clearly need to think about.

**Chair:** We should definitely remind them on resource.

**Tim Smith:** Just completing the loop between what you and Nick were just saying, going back to my major retailer experience, there are more people in Hong Kong buying garments for Tesco than we have selling food around the world.

Q47 **Chair:** That just brings home the scale. As Nick and you talked about, it does not have to be just Government, but it does have to be joined up in how we do it. Perhaps this is a good opportunity to bring Nigel in. He is going to tell us exactly how we join all this up—no pressure on you, Nigel.

**Nigel Gibbens:** I think I will miss that hospital pass, but I will add something from the perspective of a career civil servant working in trade. I have clearly seen the evidence, as you have, that we need more people overseas. Some of the work that is done is done through personal contacts into Government. There is also a very big job to do between creating trade opportunities and actually unlocking the door with those technical barriers. In the absence of free trade agreements, each trade opportunity comes with a technical requirement to agree the terms of an export, especially in livestock product.

As you were saying, it needs to be a very strong Government-industry co-operation. The report refers to the UK Export Certification Partnership, which has been doing that in some areas, but not across the board. The recommendation that that should be broadened is very good. It does not allow you to solve everything, but it is really good at prioritising where you put your effort and making things potentially really useful when you



deliver them. There is nothing more dispiriting than working for years and finally getting an agreement to an export, when your trade partner has moved on, does not care about it anymore and it is all gone.

**Chair:** You have negotiated over time. We know the British beef situation, and others, where you have to get things back into markets. It is important to have continuity, especially with a market like China, which actually quite likes somebody to be there for a long time. I have always thought the House of Lords could play a significant role by having some significant lordships over there, because it would perhaps mean continuity.

**Q48 Barry Gardiner:** Can I apologise to our witnesses for being unable to be here at the start of the evidence session? I was speaking in the Chamber. I am really disappointed to have missed out on the answers that were provided on the regulations.

Tim, does the fact that the Government have created and put a real emphasis on the TAC reflect an acknowledgement that food and agriculture are our most vulnerable sectors in any trade agreement, or is it just an indication that Government Ministers care more about food and agriculture than about steel, cars or any other sector?

**Tim Smith:** It is difficult for me to get into their heads and understand it. I had 40-plus years in the food sector, so I know why food matters to me, and I think it matters to pretty much the whole of the population. There is a very good understanding within Government of the scale and scope of the food and drink sector, but maybe that has not always been true. Maybe the importance of the economic value added in all the nations in the United Kingdom has been underestimated.

In setting up the commission—I do not think there is a commission for other sectors—there is recognition of the complexity and the challenges faced by the sector’s diverse nature. It is not four or five companies that have roughly the same interests; there is a massively diverse set of interests being represented, and the commission reflected that in its composition and recommendations.

Having been slightly sceptical about the scope and the reference points that we were given for the commission, I have ended up as an optimist for the Government understanding the need to get this right and the opportunity for agriculture to form a more important part of our trade than it ever has.

**Q49 Barry Gardiner:** I certainly agree with you that we need that understanding. I wanted to come on to how we in Parliament defend the importance of the sector through the scrutiny and oversight that we put in place, because the new statutory role of the TAC will not actually come into effect until after the end of 2022. We have almost another two years to wait for that. By that stage, who knows where we will be at in the negotiations with other countries? Is it going to be too late to actually have the impact that we want from the commission at that point? Is it





going to be able to make that step-change difference in the development of our trade policy? How is Parliament going to be able to exercise its proper scrutiny function to ensure that it does?

**Tim Smith:** First of all, it definitely should exercise its proper scrutiny. That means having visibility of advice, until the statutory TAC gets going, from the DIT officials and any others you choose to ask your advice of. The opportunity for getting this right, in my mind, is that the evidence base that existed in all the international bodies—Nigel has mentioned the OIE, the IPPC and the WTO—is now supported by 22 recommendations by the Trade and Agriculture Commission, which I will definitely expect negotiators to reflect on as they are setting their course for those trade deals.

The stat TAC will exist, hopefully, to check mandates, execution and the impact of those trade deals. We provided sufficient resource in the recommendations and policy work we have done such that, if the Government respond to it, as they should in the next month or so, you will get an indication as to which of those recommendations they have accepted—hopefully all of them. That should effectively form the policy base. If it does not, you, rather than us, will need to know why, I suspect.

Q50 **Barry Gardiner:** Thank you for a very full and helpful answer. Let us look at the CPTPP, where our scope for setting the terms has already passed. We either join it as is, or we do not join it. All the things you have just set out—which are, in effect, a blueprint for how we want to do things—will not apply. Under the present scrutiny arrangements, which, as you know, date back to 1910 and the Ponsonby ruling, how does Parliament begin to provide what might be a necessary brake, if in fact we are exposing our food and agricultural sector in ways that both you and I would deprecate?

**Tim Smith:** On the CPTPP and other agreements that we would join, with the conditionality that would apply to that, we would benefit, and they would benefit, from us being members, so that we could adopt the processes that Nick and Nigel talked about, which are effectively shaping future trade and the future standards within those trading groups. That is an opportunity. I do not think any of us on the commission believes that we would be able to set our entire trading terms for joining the groups that already exist in the manner that you would do if you were there at the inception. We were not there at the inception, so we have to use the opportunities that are given to us as we join.

We watched parliamentary scrutiny ebb and flow at the beginning of the commission's work. My belief was that it would be frustrating to us if the amendments that were put down were not adopted in full or in part. We saw that, for there to be transparency on trade negotiations and trade deals, aside from thinking about confidentiality and protecting commercial interests, it was necessary that you, as MPs, were able to scrutinise and add that level of transparency that some may argue is missing.



As an independent chair, I take the view that more scrutiny always leads to transparency and trust in the system. When we have debated this as a commission and looked at our terms of reference, we have slightly held back from saying very much about parliamentary scrutiny, because we knew it would be for others to give their opinions and that our recommendation would carry more weight if it focused on the terms of reference we were given. I come back to it: what matters here is trust and transparency, and that implies scrutiny by Parliament.

- Q51 **Barry Gardiner:** Thank you for a very good chair's answer, if I may say. Can I just press you, though? I entirely agree that it is of value being part of organisations to set the future framework but, if we are going to be joining these trade treaties and taking on board some of the obligations that go with that, we will be opening up our markets in ways that may be counter to the strictures we would impose on a bilaterally negotiated free trade agreement. We are then operating with a set of double regulations—double standards, which I do not mean in a pejorative sense but in the sense that we are going to be applying two sets of standards here for our imports. What difficulties do you see that posing to the sector? Is the eventual conclusion of that not that the lower standards would ultimately undermine the higher ones?

**Tim Smith:** My working assumption, and Nick and Nigel may well have different or firmer views than I do, is that there are principles in our recommendations and the work we did. There are standards where we just could not contemplate joining those groups if they were transgressed. We would not be thanked for doing that by consumers or producers alike. I am not aware of any within CPTPP that would cause us the anxiety you raise, but the principle is a strong one. We took the view that it would be realistic to assume only that we could influence change from within. We could not say, "We are going to join only if you change X, Y and Z."

Again, this is where you might get a better and more expert answer from Nigel or Nick, but it seemed to me that we would not enter a negotiation with a trade group knowing that we were about to step over any of the red lines we had established, which would cause our consumers or producers to think that we had a lower set of standards than the UK is used to.

- Q52 **Barry Gardiner:** I am very grateful to you. You are right about the importance of scrutiny and Parliament doing it. Scrutiny and transparency are great, but at the moment, Parliament, under the current process, would have no ability to vote anything down. It would not have an ability to oppose or veto, and that is where there is potential for this to break down. Would you not agree that it is important that, ultimately, Parliament controls this, and not anyone else, including simply the Government? Should Parliament ultimately have the say?

**Tim Smith:** Not necessarily as the chair of the commission, but as an independent observer of the process, yes, I think it is vital that there is



that final veto at the parliamentary level. I thought that throughout the life of the commission. I did not seek to impose that view on the commission members because they would have had a different perspective. My sense is that if all paths do not lead to a vote in the Chamber as—you might not like this—a last resort, we will be making a mistake.

It is one of those mechanisms that we talk about in our chapter 6, when it comes to trade liberalisation. Nigel and Nick are both aware that we put some very clear baselines in so that in an emergency we could pull a trigger. The emergencies we imagined were so unlikely to happen that we almost spent too much time on it. If there is a risk, you ought to have a trigger to pull.

Q53 **Barry Gardiner:** I am very grateful to you and really enjoyed speaking with you on that. Can I now turn to Nigel and Nick, and ask what further you may wish to add to what Tim has said?

**Nick von Westenholtz:** There are a couple of things. Speaking personally, and from the NFU's perspective, the current trade scrutiny arrangements are certainly still insufficient. You raised the potential concerns you have about an issue arising. You use the CPTPP example, but we are really talking about a deal that we are unhappy with or that is wrong, for whatever reasons. In those instances, there are ways of Parliament finding ways of objecting and opposing, through the CRAG process, but it is pretty arcane and cumbersome, and there are lots of holes in that process.

The simple answer is yes. Interestingly, when we are talking to MPs, we often get them saying, "Don't worry: if it was a terrible deal, we would never vote for it." I often point out, "You might not have a vote on it." It is not necessarily the most reassuring of answers that we get, but I would say the introduction of the new statutory TAC has improved things. It gives not only parliamentarians a sight of the impact of any deal but, I hope, the public at large, who can make their feelings known as well. It may well be that it is a very good deal, and the feelings are positive ones.

On something like CPTPP in particular, it is a concern that we are potentially joining an agreement that already exists, and so a lot of the terms are established. We will just have to see what the Government's objectives are, when they publish them soon, and how those negotiations go. Within CPTPP, there are bilateral side letters between the signatories that deal with specific issues, so it may be that there are ways for the UK to address specific concerns bilaterally with other countries. I would not see it as being a totally closed door at the moment, but we will have to wait and see how effective those might be and how willing other members of CPTPP are to do those side letters.

I think you mentioned at the beginning that the stat TAC's powers and role do not come into effect until the end of 2022. I believe that relates only to any deals that pre-existed Brexit, which we were party to as a



member of the EU. For any new deals, stat TAC will have a role straight away. As soon as it is up and established—and of course, under the Trade Bill, it is established in law—new deals with people, such as Australia and New Zealand, which are likely to be the first to come online, will be, as I understand it, subject to the requirements for the statutory TAC to report on those deals.

**Q54 Barry Gardiner:** That is really helpful. Nick, just to press you on the scrutiny aspect, do you think it would be helpful for it to be a recommendation of this Committee that what you described as the arcane processes of CRAG should be updated, and that Parliament should be given the opportunity for a final, definitive say on all trade agreements, not just ones where the Government decide that it will do so?

**Nick von Westenholz:** Yes, I do. I think that up/down vote actually helps negotiators as well. They say that whatever they agree has to be satisfactory to Parliament, and therefore their red lines are much stronger. They actually have some credibility behind them.

**Q55 Barry Gardiner:** Mandates are good things in that respect, are they not?

**Nick von Westenholz:** Yes, absolutely. It would be worth pointing out that a number of parliamentary committees over the last three or four years—maybe four or five across both Houses—have recommended precisely this. I would certainly advocate you recommending that and joining many of the other committees that have already done so.

**Q56 Barry Gardiner:** You do not hold out much hope that the Government are going to listen, by the sound of things. Nigel, is there anything that you wanted to add to that?

**Nigel Gibbens:** There is nothing useful, just a bit of mischief.

**Barry Gardiner:** We always like that. The Chair will particularly like that.

**Nigel Gibbens:** The reason a vote does not exist now is to do with the Government's current majority. If there is a future situation with a strong majority, the vote is not actually going to solve the problem, but a very robust process might, because it puts it all in the public domain. I would not put all my eggs in one basket and just rely on the vote in Parliament to solve the problems. Everything has to come together.

**Barry Gardiner:** That is very wise. Thank you very much to all our witnesses. It was a real pleasure talking with you.

**Q57 Chair:** Nigel makes a really good point. I suspect, Barry, that when Governments of all persuasions have big majorities they like to, dare I say it, drive things through Parliaments. I think you can take that in the spirit it is meant.

The final question, which we have dealt with most of, is about how the Government are going to respond to your report. I want to ask this question to all of you: are there specific issues coming out of it that we should concentrate on scrutinising over the next 12 to 18 months? We



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have discussed a lot this afternoon, but are there any last points that you think we should particularly scrutinise and watch? We are more than happy to take your advice.

**Tim Smith:** I have one specific point, which we have all referred to at different times. It is about how the Government take on the core standards that we are suggesting they should use to populate the recommendations we are making. That could be animal welfare, the climate crisis, labour standards around the world or labelling of foods that are imported. All those require the Government to set out which standards they would find useful and would be helpful for producers and consumers. Taking our work in chapter 6 and building on that specifically, with the challenges that we have deliberately left Government to respond to, is where we will be looking very hard at the response, and looking to you and Angus to set the tone for what happens next.

**Chair:** Thank you. That is very good advice.

**Nigel Gibbens:** The other very important recommendation is the one to have a clearly articulated agri-food trade strategy, which is not mirrored by but integrated with the domestic agri-food strategy, and within that strategy an understanding of how you want to use trade policy. We claim our report is bold and ambitious, and I think it truly is. It gives the potential to do, through trade, what has not been done before, although you are starting to see times of change. The US, for example, is saying that there ought to be trade remedies for people who are breaking their environmental international obligations. There is somewhere to go for this, and it is truly ambitious. That overarching strategy is really important.

It would be a shame to miss the elements in relation to developing countries, because trade for developing countries can be crucially important. It can be liberating or damaging, and we considered that carefully. We opted not to suggest in any way that developing countries had lower standards applied to them, but to look very carefully at how you support developing countries to meet our standards and how you give them access to our markets, possibly through some quite novel approaches, using the private sector. They are worth a look at.

Q58 **Chair:** You make a really good point on developing countries, because we should be able to try to help them raise their standards in order to trade with us. We must not block that out in our desire to maintain high standards. I take that on board entirely.

**Nick von Westenholz:** I can be fairly brief, because I had two comments in my mind, and Tim covered one and Nigel the other. The first is the establishment of the core standards. That is a bit of a job, and the Government really need to crack on with it. I suspect they will need to consult and put their legal minds to it as well. We cannot lose time in getting that process under way because it is so important to rolling out trade policy.



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The second recommendation I wanted to flag is the trade strategy and, as Nigel said, ensuring that it is joined up, that our trade policy complements our domestic policies on these and other areas, and in particular that they do not contradict each other, which there is a risk of doing. There is a real risk that we liberalise trade in a way that demands our farmers can survive only if they go toe-to-toe and try to lower standards almost to compete. At the same time, as you will be very aware of, Neil, we have a domestic policy agenda that is actually driving farmers in other direction. The Department for International Trade needs to think hard about what support it is giving, or what other parts of the Government are doing, to ensure that farmers can be competitive and still produce to high standards.

**Chair:** Thank you very much for all those points, Nick. You raised a really good one at the end. We are driving standards higher all the time, which is great, but should not allow imports to undermine that when we ask farmers here to produce food to greater standards. The public want better welfare and environmental conditions, and so we have to try to deliver that through trade as well as through our own policies.

Can I thank the services very much for being very patient with us this afternoon? It has been a long meeting but a very good one. I thank Angus and his members for joining us from the International Trade Committee, because we are working very much together on this.

Gentlemen, may I thank you very much? Tim, you chaired the Trade and Agriculture Commission, and both Nick and Nigel were very prominent members of it and chaired parts of it. You obviously know your stuff; you delivered some great answers. This evidence session has probably been one of the very best we have had, so thank you very much.

We will, as parliamentarians and Select Committees, work together to scrutinise whatever trade deals come forward now, before the Trade and Agriculture Commission has been put on a statutory basis. From talking to the Secretary of State for International Trade, I believe the Government are very mindful of the fact that these standards are in place and that they need to adhere to them. I have made the point many times to the Secretary of State that it should be easier for her to negotiate deals with other countries across the world on a clear footing when she has these recommendations from your commission.

Thank you very much for a great session. I shall allow you all to go home—or you probably are at home. Thank you very much to all members from EFRA for supporting us this afternoon. It has been a really good joint effort today.