

International Trade Committee

Oral evidence: UK Trade Negotiations, HC 127

Wednesday 27 October 2021

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International Trade Committee members present: Angus Brendan MacNeil (Chair); Mark Garnier; Paul Girvan; Sir Mark Hendrick; Tony Lloyd; Anthony Mangnall; Mark Menzies; Lloyd Russell-Moyle; Martin Vickers; Mick Whitley.

Also attended: Neil Parish (Chair), on behalf of the Environment, Food and Rural Affairs Committee.

Questions 240 – 287

Witnesses

I: The Rt Hon Penny Mordaunt MP, Minister for Trade Policy, Department for International Trade; Victoria Prentis MP, Minister of State, Department for Environment, Food and Rural Affairs; Chris Heaton, Deputy Director in International Trade Policy, Department for Environment, Food and Rural Affairs; and Oliver Phillips, Senior Civil Service Lead for Agriculture, Department for International Trade.



Examination of witnesses

Witnesses: Penny Mordaunt, Victoria Prentis, Chris Heaton and Oliver Phillips.

Q240 **Chair:** Welcome to this afternoon's International Trade Committee session on UK trade negotiations, focusing on upholding UK food standards. We have four stellar witnesses. I will ask them to introduce themselves—name, rank and serial number—as there are so many of them, starting with the Ministers, in the centre.

Penny Mordaunt: I am Penny Mordaunt and I am seven weeks into being Minister of State at Trade. I largely look after the trade policy brief.

Victoria Prentis: I am Victoria Prentis, Minister of State at DEFRA.

Chris Heaton: My name is Chris Heaton and I am deputy director in international trade policy at DEFRA.

Oliver Phillips: I am Oliver Phillips, deputy director for trade in goods at DIT.

Chair: Welcome, all, to the International Trade Committee. This afternoon is our second session. I understand that before we kick off, Oliver Phillips would like to say a few words to set the scene from the Department's point of view.

Oliver Phillips: This will be rather more of a personal one, with your permission. As someone who grew up in the constituency of Southend West and whose family has lived there for the past 30 years and before, I just want to very briefly record, from our family, our thanks and gratitude for Sir David's dedicated service for more than 30 years. Although I did not know him personally, I want to offer my condolences to those who did, and in particular to his family, for whom this must be unbelievably hard. Thank you for allowing me to put this small tribute to a very good man on record.

Chair: They are nice words and very welcome indeed. Many of us, especially Mark Menzies, knew David Amess very well and these words are greatly appreciated. Thank you. We will turn now to Mark Garnier to formally open this session.

Q241 **Mark Garnier:** Chris Heaton, perhaps I could slightly unusually turn to you first just to put you under the spotlight. You are in charge of trade policy at DEFRA. How does that work when the trade policy Department is DIT and not DEFRA? Discuss.

Chris Heaton: DIT obviously leads overall on trade policy and trade strategy. I lead within DEFRA on trade policy. That means that we work with our domestic teams to develop our policy positions, but then they are agreed with the Department for International Trade, and across Government through informal channels, where Olly and I work together on a very regular basis, as well as going through the formal channels where we have governance boards. When we are in negotiations, all decisions on our approach, our mandates and our objectives are done



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through collective agreement. My Department leads in negotiations on the SPS chapter, which is obviously really important, particularly for the agricultural space. We are also involved with many other areas that are relevant for DEFRA issues, and they are not just in agriculture but on food more generally and the environment. It is a really productive working relationship and we are involved in all elements of it, with DIT obviously holding the final pen on the overall approach.

Q242 Mark Garnier: To pick up on a couple of those points, the first being the SPS chapter. SPS standards are legislation for the UK to meet the food standards. The chapter on SPS is, presumably, relatively irrelevant because you cannot bring in food that does not meet our standards anyway, irrespective of a trade deal. I was slightly curious about how it gets its own chapter.

As you know I was a Minister at the starting of the Department, and your area was part of my portfolio. Prior to the starting of the Department of International Trade, Francis Maude, who was the then Trade Minister, had basically farmed out UKTI to each of the various different Departments, and of course the first job of DIT was to bring it all back under one roof. The biggest problem Department was DEFRA, in terms of not wanting to lose that territory—if you like, the manor of trade—that DEFRA is involved with, because there was a disco-ordinated approach to how we were doing trade.

Long question, but the reason it is important is that there have been some recent disagreements between DEFRA and DIT, in particular on the upcoming Animals Abroad Bill for enabling power to bring about specific import bans in the future without needing primary legislation. I think Liz Truss, the previous Secretary of State, was pushing back on this. There are disagreements between the two Departments and it is slightly worrying when you get these disagreements.

I am really interested to know whether the ill feeling that was very much there at the time I was a Minister is still there or have you learnt to—*[Interruption.]* You two have been mates for years. What is the relationship like? This is really important—there are differences of opinion and this is a really sensitive subject, all of this stuff. People are now using expressions like “corn laws” in relation to the position taken by the NFU in terms of what can appear to be protectionism. I am not making a judgement on that, by the way—I completely understand their point of view—but it is a very difficult area. It is very emotive because you have animal welfare standards and it is about food safety and food standards. There still seems to be a differing of opinion between the trade Department and the food Department, which seems to want to be the food trade department as well.

Chris Heaton: I agree that there are going to be tensions between our domestic objectives and our trade and international objectives. That is not only in agriculture but across the board, although agriculture is a particular area of tension because, for the most part, that is where our high tariffs are. I see it as a constructive tension though. We have a huge



amount of expertise sitting in my team and across the Department who really understand what are very complicated regulations and domestic regimes and we can bring that expertise. My team helps focus all that expertise into how we can deliver that best through trade, and the tension between the Departments helps balance that with the wider opportunities. So it is productive. The relationship is very good between my and Olly's team and we work very closely together. The processes are in place to make sure that this tension works in that productive way rather than being destructive. I will not repeat the ones I have gone through before.

Q243 Mark Garnier: Penny, as a Trade Policy Minister—Oliver may be able to help you on this particular one given that you are only seven weeks in—does every other Department that you speak to, for example automotive, aviation, financial services and the Treasury, have a trade policy group within those Departments that advises?

Penny Mordaunt: Yes, and we have our expertise across the network as well, including overseas. There is not an asymmetry between what happens in DEFRA and what happens in financial services. The subject matter experts are in those Departments and we work with them just as we work with DEFRA. Similarly, we at the Department front-end the services that we are standing up, such as the export support service, but the expertise is still in those Departments and I think that is the right approach. We speak every day.

Victoria Prentis: Most days.

Penny Mordaunt: Most days. I think also that a lot of the issues that are probably the most difficult ones we have to grapple with are with DEFRA, but, in those bilateral discussions between Departments, we crack through them and arrive at, hopefully, good judgments.

The other thing I would add is that you want every Ministry to be supporting not just the right trade deals being done but what they yield as well. My predecessor, Greg Hands, had established an inter-ministerial group that largely looked at some of the details and issues that were of note in the deals. I want to develop that group, so that it still does that part of that policy work, but it is also about looking what is in the pipeline from it, which, I think, will ensure that if we are working on something, perhaps with another Department, and we need the Treasury's backing, we do not spend a lot of time and effort on creating opportunities and then run into brick walls. I think we are evolving the structures in Whitehall to make sure we do this well.

Q244 Mark Garnier: Victoria, by all means follow on from that, but to put a specific question, you have a very difficult job. You are looking after the NFU, who really are very effective lobbyists on behalf of quite a strong thing. We have all met them and been entertained by them—I have to meet my local NFU in my constituency in the next few weeks. This is a really big deal because you are imposing on the farmers and the food producers animal welfare standards that may make them uncompetitive



compared with, for example, New Zealand or Australian beef and lamb—or indeed this wretched chlorinated chicken which you get to hear a great deal about. But the point is that ultimately Penny has to help develop trade and deliver consumer choice and you have to protect your farmers. It is a really difficult area. Ultimately, you are the one who has got to balance this, if you have your own trade department? How can you square that circle?

Victoria Prentis: I am responsible for agriculture, fisheries, food and trade, and that portfolio has its own tensions within it. I am in the Department for the environment, which poses another tension that we have to deal with on a daily basis. I think it is quite important that we do not pretend that this is easy or that it does not need to be balanced, because it does. If I am honest, I do not think it is helpful to hark back to hundreds of years' worth of debate on this; this is a long-term problem but we need to find relevant and appropriate solutions for it now.

We are a nation that, yes, absolutely loves to eat brilliant, local, sustainably grown food of all types. Looking at all of you and the constituencies you represent, I can think of foodstuffs from all areas that you come from that we want to promote and we want people to eat. But we also very much belong to a nation that trades. We do not grow enough food and drink for us to eat and we want to import food and different sorts of food that we cannot grow here, which is not a bad thing.

Mark Garnier: Foie gras?

Victoria Prentis: Not for me, but possibly.

Mark Garnier: But it is an important point and this is where there is a lot of tension. Foie gras is an appalling way of producing food and yet people like it and there is tension about foie gras between DIT and DEFRA.

Victoria Prentis: I do not know that there is at the moment; that is certainly not top of the agenda. At the top of my agenda with Penny—and it is true that we do speak most days—is getting the balance right between making sure that we, who support our farmers in a different way now in this country, can protect, to a certain extent, our farmers and our countryside but also make sure that the food we make available to our consumers is what it needs to be.

Chair: Just for *Hansard*, when they were asked whether there was tension between the Departments, the two Ministers hugged.

Penny Mordaunt: In a covid-secure way.

Chair: It would not have been easy to capture that using just the words that were spoken, so I thought I would say it.

Q245 **Anthony Mangnall:** Thank you very much for the kind words that you said at the beginning, Oliver; it is great that you put them on record. I am a bit confused about the TAC because the TAC came out of the fact that there was a disagreement between DEFRA and DIT. Minister Mordaunt, is the TAC that was announced last week an interim TAC or is this the statutory TAC that was promised at the very beginning?



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Penny Mordaunt: It is interim because—colleagues, correct me if this is wrong—at the moment it can remunerate people only through expenses. I think that where we want to move to is to be able to properly remunerate its membership, and that requires an extra piece of legislation. As I was not there at the time, I do not know whether my colleagues can add further details.

Oliver Phillips: I would be very happy to. The key point in many ways is that the Department wants the very best people for the job. After looking across the field, the conclusion was reached that we might need to remunerate people, but the Act did not permit that, so it still performs exactly the same functions as were always envisaged. The statute has not yet been commenced, while consideration is given to whether it needs to be—

Q246 **Anthony Mangnall:** That is really helpful. I think this is important to clarify. Will the composition change? I have in front of me the list of names of those who are sitting on it. I am sure they are all going to stay on, because they are very impressive people, but am I right in understanding that that composition will remain the same when it gets onto a statutory footing, and when is it going to get on a statutory footing? Will there be any gap in the free trade agreements that we are signing, because it needs to be up and running, it needs to be functioning, and it needs to have the recourse to be able to brief parliamentarians? I know we are coming on to scrutiny later, but if it is not up and running, we need to be aware of that quite soon.

Penny Mordaunt: I cannot give you a date, but our intention is to put it on a statutory footing as soon as possible, and we can keep you informed about the timetable on that. There must not be a gap—we want to properly reward people for being on it—and we think the people who are on it are, as you say, high-calibre people and would want to carry on. I think we are talking about a technical issue here rather than its function.

Q247 **Chair:** Picking up from Anthony Mangnall's point, is it not quite extraordinary that we have had the Trade Act 2021 and the setting up of the TAC—the Trade and Agriculture Commission—but before the 10th month of 2021 is over, we realise we have a problem with the Trade Act 2021 and the setting up of the Trade and Agricultural Commission, which did not enable the proper payment of members of that commission?

Penny Mordaunt: I think that as we are developing our policies and getting into negotiating more deals, we are evolving. I am changing some structures that I have inherited, because the Department is moving into being much more proactive on some of these things.

Q248 **Chair:** It is a matter of only months. I know that you have only been in the Department for seven weeks, so it is not a personal blame, but there is a governmental corporate blame, surely, for not having the foresight to see the problem arising here.

Penny Mordaunt: There will inevitably be things that crop up that we want to improve on, and rather than say, "No, this will do," we want to



do it properly. I do not think we should do anything else.

Q249 **Chair:** To both Ministers, the national food strategy review and the TAC proposed that UK trade agreements should only allow liberalisation on agrifood tariffs for products that meet certain production standards. Production standards are the big issue. How do your respective Departments view that suggested approach? Enlighten us on the tensions that there are, which might be friendly ones but they are there.

Penny Mordaunt: Do you want to do SPS? Then I'll do the trickier one.

Victoria Prentis: This is a perfect example of how we work together.

On standards, Henry Dimbleby's report came to us as the Department in the middle of July and we have said that we will do a Government response to it after about six months, which takes us to about the middle of January. It is a very big piece of work for my Department and we are working across the piece on that. It is not just about trade, though he did make a recommendation about core standards being set out. This is something that I have talked to Henry Dimbleby about many times, and I know it has been well rehearsed by your Committee and the EFRA Committee, and it is nice to see its Chairman here.

Standards in food in our country are set out in legislation, as you know and as is normal, in both primary legislation and secondary legislation, as Mr Garnier said earlier. SPS standards apply to both domestic producers and to imports equally—we do not want to have food that is unsafe. The standards go a little bit further than covering that; there are some welfare standards in there too. For example, we have secondary legislation that deals with welfare at the time of slaughter, which applies across the board. Also, there are some environmental standards. For example, we have ones on logging and deforestation, which also apply across the board.

What we cannot do is to legislate for everything around the world, and Mr Dimbleby knows that. This is one of the tensions that we talk about on a daily basis. The ways in which we can make sure that standards are applied in FTAs have to be a bit cleverer and more flexible than just relying on legislation. Within an FTA you can put in place clauses about non-regression or clauses about how much market access you allow for meat of a particular standard, or how much you are going to co-operate together on antimicrobial resistance, for example. Another recent recommendation of the TAC, which I think is useful, is about how we work outside FTAs on international agreements to boost standards generally. I could go on about that all day but you probably do not want me to.

Chair: You might not want to either.

Victoria Prentis: I might touch on it later. I will try and restrain myself for now.

Finally, I mention labelling, which traditionally we have not viewed as having a mammoth part to play in standards. I think that, post pandemic,



we are coming to a slightly different view, and we are carrying out a review of animal welfare labelling at the moment, which opened on 13 September and is closing on 6 December. In my brief, labelling is going to be one of the hardest things I have to work on in the next 18 months or so to get that right. I think it is significant; it is not the full solution though.

Q250 **Chair:** Henry Dimbleby, whom you mentioned, is not a happy chap. I am sure you know that in the last week he described the Government's agreement with New Zealand as disappointing and has accused the Government of rejecting his advice. He said, "It is a disappointing day—the Government has clearly rejected my advice. Australia and New Zealand are the edge of the problem; Brazil and the United States are huge problems."

Victoria Prentis: He is a non-executive director of my Department, so he is somebody with whom I meet relatively regularly. He does not need to be worried yet about the response to his food strategy. We will be responding to that in due course and we must not jump the gun by doing that today. He needs to hang on and we will respond properly. This is a very large report containing some really significant recommendations right across everything to do with the food we eat and it is only right that we respond to those properly.

Chair: "Don't worry now but worry later".

Victoria Prentis: We will be responding to his food strategy and not necessarily accepting every recommendation he makes—I do not think that is a spoiler. But worry? Yes, these are difficult issues. We should be concerned with them and it is right that we talk about them within Government and within the Department, and we do.

Penny Mordaunt: On the other issues that Mark mentioned, the environment and animal welfare, there are two further things to raise. With regard to some of the deals that have already been done with nations similar to ours—I am sure we are going to talk about the phasing in—there are policy objectives in countries we are doing deals with to improve certain standards over a period of time. That needs to be factored into some of these arrangements.

The other thing I would say is that if our objectives are to boost trade—particularly to enable trade to help countries developing out of poverty—but also to raise standards internationally, the levers we have in trade deals are fairly limited, but there is a lot we can do alongside. There is work going on, which I cannot tell you about in detail today but will certainly be very happy to come back to, that is looking at international standards through the forum of the WTO and what they should be, with particular reference to developing nations, where a lot of these issues are very difficult indeed.

I am very interested in the other things that we can do to enable countries we particularly want to be trading with, and to whom trade with us really matters, to get their economies boosted—how we can help them



meet the standards that our consumers would want. As my colleague has said, we already have a baseline in legislation for various things that we will not currently accept. There is no weakening of those standards, but what I am thinking about is what we can do in terms of improving animal welfare, environmental standards and so forth.

Chair: Before I bring in Martin Vickers, Anthony Mangnall wants to come in for 30 seconds..

Q251 **Anthony Mangnall:** Very quickly, do you not think there is a bit of a problem, in that we have the national food strategy response from Government coming in January next year and we have got the TAC just being set up, and most of the deals the UK is signing—the major ones—are already underway? Australia and New Zealand are two big deals and yet we have not the proper overlap and scrutiny that we should be expecting in these deals. So it is a bit late for us to say that we have set up these committees or these groups up or we have given the response to Henry Dimbleby's report. Is that not a problem?

Penny Mordaunt: Again, colleagues might want to come in, but in the flow chart of scrutiny that I have been looking at in my inductions, there is considerable scrutiny not only from Parliament but also from externals. I do not know whether you want to add anything.

Oliver Phillips: Just reiterate your earlier point, Minister, the TAC will be set up in time to scrutinise those deals, and we as a Department are very aware of all these.

Q252 **Anthony Mangnall:** Thank you for the answer, but just to push back, the problem is that we did not know what the negotiating objectives were in the first place. We do not know what ground has been given up in the first place. I respectfully disagree with you entirely that there is proper scrutiny in Parliament over this. The Constitutional Reform and Governance Act, which Jack Straw put in, is not good enough and it needs to be updated and modernised, which is a question we are coming on to later. But the TAC could have had the ability, had it been set up at the very beginning, to go through the process, look at what your objectives are around food, farming, fishing and all of this side of things, and then monitor that as the negotiations went on. That opportunity has been lost, and we are now sat with deals with Australia and New Zealand coming through.

Penny Mordaunt: I would say that these are live deals; they are still being worked on and we are at the mercy of that particular timetable. Information can be released only at certain points and that, I am afraid, is just a fact of life. We have had to set up these bodies at speed. I go back to my former point: as things progress we want to improve on them. We want to improve on scrutiny, we will learn lessons as we go on and we should have the flexibility to do that.

Victoria Prentis: The national food strategy covers much more than just trade. Henry Dimbleby's report is really a once-in-a-generation report, and our response to it, although it may not do everything he wishes, will



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have to be fairly comprehensive.

Q253 **Anthony Mangnall:** Would you class yourself as the agrifood trade Minister?

Victoria Prentis: Personally, I certainly deal with both agriculture and trade and, yes, it is a very important part of my role. I know it was a TAC recommendation. I think, though, Penny is definitely another part of that role that we need very much as well. I think we have to have cross-departmental working on agrifood trade. I would hope that together, probably with many other inputs from other Departments as well, we can embody that. But I do not think, singly, I can.

Chair: We will call on Martin Vickers now and we have Neil Parish contributing shortly after that.

Q254 **Martin Vickers:** Minister Prentis, just to develop the answers to the previous question about recommendations that are coming from the NFS, one of them specifically says that we should “Define minimum standards for trade, and a mechanism for protecting them.” Are the Government likely to accept that?

Victoria Prentis: No, really for the reasons I set out earlier. We think that the minimum SPS standards for food safety are already set out in legislation. The reasons I gave earlier about what we can do, both within FTAs and outside FTAs, including labelling, to keep boosting standards, are probably the way to go on that. The phrase I often use, and did ad nauseam during the passing of the Agriculture Act, is “tools in the toolbox”. I think we have to continue to use all the tools we have, to ensure that our standards are boosted wherever possible. Do you want to come in, Chris?

Chris Heaton: That is absolutely right. There was a reference earlier to upcoming deals, beyond Australia and New Zealand. Every country is different, every country’s standards are different and the markets are different, so every deal will be taken very much in its own right—looking at the particular circumstances and taking that box of tools and using them in a balanced way. That is the process we go through, collaboratively as both departments, to get to the best outcome.

Q255 **Martin Vickers:** Minister Mordaunt, in response to the previous question, you spoke about how you are not going to lower your standards. You also used a phrase that meant something to the effect of “raising standards over time”. It is difficult to square those two statements. Also, bearing in mind that some of our standards are even higher than the EU’s, I can understand why you would want to raise standards of incoming imports over time, because it is probably unreasonable to expect third party countries to reach our standards immediately, but there seems to be a difficulty about time and about not weakening standards.

Penny Mordaunt: I would say there are two different things. We have legislation in place, which gives us the floor, if you like. We do not accept goods such as hormone-injected meat, which is not changing. We might,



in future years, decide to bring in other things—we mentioned some products earlier on that Parliament might want to consider. If our long-term objective is to enable other nations to improve their welfare standards, they may be sending us products that are fine in terms of our floor, but we want to make sure, for example, that animal welfare standards are improved. We stand a better chance of doing that in a trading relationship where we can also increase veterinary capacity or have insurance schemes that enable farmers to insure themselves against famine or natural disaster or whatever. What I am keen to do is look at the practical things that we can do, particularly for developing nations, where a trading relationship is going to be a long-term piece of work. I think we should be starting work on that sort of thing now.

Chair: While there might be some interdepartmental tensions, there are certainly no inter-Committee tensions. It is a great pleasure to welcome the Chair of the EFRA Committee.

Q256 **Neil Parish:** Thank you very much, Mr Chairman. It is a pleasure to be here again; I hope you tolerate me coming along.

Chair: It's nothing but a delight, Sir.

Neil Parish: Can I also very much welcome the new Minister of Trade? I look forward to working with her, as we work very much with the Minister for Agriculture.

We were expecting the Trade Department to come forward with core standards from the first Trade and Agriculture Commission, chaired by Tim Smith. The two latest deals we are doing are with Australia and New Zealand, which I would not suggest, Trade Minister, are necessarily developing countries; I think they would consider themselves quite well developed. As such, I would ask you to look again, if you can. I accept that you have been there for only seven weeks, but at what stage are we going to see some core standards as we sign deals moving forward?

Penny Mordaunt: Do you mean across trade deals?

Neil Parish: This is particularly on the food, agriculture, welfare and environment sides—what the Trade and Agriculture Commission was looking at, basically.

Penny Mordaunt: I would say—colleagues may want to come in—that we are treating each deal in its own right. There will be things that we will want to do with some nations that we will not want to do with others. I think, at this stage, that is probably the most pragmatic approach to these things. I would go back to what we have already said. We have legislation in place at the moment that provides what you could describe as some core standards; that is the floor.

Within that, we would have desires that some nations we are trading with stop particular practices, for example because of other political priorities we have on the environment—topical at the moment—and we have to ask ourselves what the most effective way of doing that is. It is probably not only via some of these deals but we need to tell that story alongside it. I



think that is the most pragmatic approach. I can see—other colleagues might want to come in—that, as things develop and work progresses at WTO on international standards, on good practice and on all sorts of things, this will evolve, but I think that, at the moment, that pragmatic approach is the best one for us to take.

Q257 Neil Parish: I think many of us saw the Trade and Agriculture Commission and core standards as a way for the Trade Department to say to a country that we are negotiating with, “This is our standard of egg production and this is our journey time for transport of animals.” All these things not only are good for animal welfare but also have a knock-on effect on the profitability and competitiveness of agriculture in this country. Without those, I feel it is quite difficult to negotiate these deals.

I feel that the Australia and New Zealand deals are going along at a great pace. I am not entirely convinced—perhaps you can convince me—that these issues are being raised with the Australians and New Zealanders. For instance, we have to have 750 square centimetres for a hen—that is compulsory; we have to have at least that space—and the Australians have 550 square centimetres, and that is just voluntary. That is only two thirds of the size, for a battery hen, and many people in this country would suggest that we ought to do away with batteries altogether, so we probably will in the future, and then what will happen in Australia? These are real, live issues. I am sorry to be passionate about it, but I just wonder: what is the Trade Department doing? I do not blame you for it, because you have only just got there. I am looking forward to you taking a much more robust view.

Penny Mordaunt: I, too, am passionate about the issues you raise, and my colleague is very much so, and we talk about these things on a very frequent basis. Often, this is presented as “It’s this or nothing”, but these deals and the things that are in them, which will be occurring over many years, make this more complicated than “You must have this in place when we’re starting negotiations”. In that respect, if a nation has a policy to improve animal welfare in a particular area, as Australia does, these deals can be a way to factor that in as well.

We need to remain focused on those twin objectives. We want animal welfare standards to be improved, not least because it is good for the animals, but it also supports global health security and all sorts of other issues. At the same time, we want to boost trade. I would say those twin objectives are supportive of each other. What we have to do is to look at the immediate thorny issues we have to grip through those two objectives.

Q258 Neil Parish: Surely the process should be that we are looking to raise the animal welfare standards in those countries we are trading with, not lowering ours. If you are not careful, you will put our poultry farmers out of business and you will import eggs of a lower standard, from hens that are kept at a greater density and to a much poorer standard of animal welfare with much greater antibiotic use than we have in our own country. We have to be serious. This is food that we eat. This is poultry



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that is kept. A principle in our manifesto is that we will maintain high standards and that “we will not compromise on our high environmental protection, animal welfare and food standards.” Although we talk about food standards, I am not sure we talk much in these trade deals about animal welfare, and this is what I am really concerned about.

Penny Mordaunt: I will bring in my colleague in a moment, but I do think we talk about these issues. Certainly my colleagues can speak a bit more about that. I would also say that we have the flexibility to be pragmatic and to look at deals on a case-by-case basis. It is also about being practical about what is potentially going to come into the country. When you look at New Zealand, for example, there are some myths out there about what might be heading our way. Everyone is in agreement about what our objectives are, what we want to see and what we want to be a catalyst to delivering. We need the flexibility to be pragmatic in both maximising the trade opportunities, for our farmers and for other sectors, and achieving those other objectives.

Q259 **Neil Parish:** I want to put on record that I am very keen on having a trade deal with both Australia and New Zealand, but I do want to make sure we have some sort of level playing field. We are signing a deal with Australia and we are also about to sign a deal with New Zealand. Australia muleses its sheep—it skins the backs of the ewes to stop flystrike. New Zealand has stopped this practice because it is very inhumane. How do we do a deal with New Zealand that stops Australian farmers mulesing, and are we going to allow lambs from ewes that have been mulesed in Australia, in another trade deal? How are we treating them as equals, or like with like? The Australians do not need to send us lambs from ewes that have been mulesed; they can send them from other sheep. Lots of people across the world have different levels of production, and I am just not convinced at the moment that we are sticking to our core principles of good welfare. How are you going to deal with the two different deals, where the New Zealand standards of animal welfare are on the whole higher than those of the Australians?

Penny Mordaunt: Again, colleagues correct me if I am wrong, but that is an example of a practice where I understand it is Australia's policy over time to change that; that is the policy direction they have set. It is a good illustration of us not viewing this as an either/or. It is about looking pragmatically at what we can expect to see in these deals over time and at both what that means for animal welfare standards as an end in themselves and what its trade impact will be—lower prices and so forth—on our farmers.

Q260 **Neil Parish:** I appreciate your pragmatism, but you have to be careful, in this pragmatism, that you do not negotiate away a whole industry and lower animal welfare standards across the world. We are talking now with COP about trying to move our environmental standards up in order to get others to follow us—China, in particular, on coal and the like. Why is it, when we are doing a trade deal, that we are inclined to allow backsliding in animal welfare levels rather than saying to them, “Why not raise



yours?"? I think the Australians would on hen production, egg production and many other things. I just wonder why we are missing this opportunity. I will make that my last point.

Chair: Can we get a brief response?

Penny Mordaunt: Just to reassure you, I do not view those objectives as, "I've got the trade one and she's got the animal welfare one." They are my objectives too. That is why we have this inter-ministerial group—because every Ministry is responsible for delivering these things. I am interested in how we get to the end result in the fastest way possible without killing off one of those objectives. It will be very difficult to do some things through trade deals, but there is usually another way of getting to the destination that we are all trying to reach. I know you have seen our Secretary of State recently—I have seen your readout for that—and I want to be absolutely clear that I am on your team on this issue, Neil.

Chair: We have had a fair deluge of Ministers and Cabinet Ministers in the last few hours and it is creating a lot of interest. I was going to go to Tony Lloyd, but I have been asked to press the pause button for a second because his colleagues Sir Mark Hendrick and Lloyd Russell-Moyle want to come in. I am going to ask them both to be quick and brief, and similarly with the answers, if you can, because the only tension I ever have is time.

Q261 **Sir Mark Hendrick:** My question follows on from Neil's. How are you going to police this? Minister, you talked about dealing with things on a case-by-case basis—maybe with one approach with Australia and another approach to New Zealand—but surely there has got to be some consistency through this? Otherwise, Australia might say, "We need three or four years or five years to get through this," and New Zealand might say, "Well, we can probably do it in six months." Unless there is some consistency, you are not going to be able to be credible when you come to do even more bilateral deals.

The other case, on the issue of policing, is how do you know that countries are sticking to the agreement? Neil mentioned space standards for chickens or hens. When does it become acceptable and when does it not become acceptable, what amount of space is being made available to certain hens or chickens? At what point do you say, "That's not good enough, we want better standards than that"? Finally, the competitive advantage that some farmers and businesses in other countries can gain by knowing that there is this flexibility can, over time again, I think Neil is saying, put some businesses out of business. Surely that is a consideration. Whilst we want to raise standards, other countries may want to lower standards to get that competitive advantage.

Penny Mordaunt: I will just make a couple of points; then I will ask my colleagues to talk through the scrutiny. As well as those bodies, we are standing up monitoring and evaluation mechanisms, which my colleagues can give details on. To address the last point you made, factored into the



policy decisions that we are making and our decisions about what deals we are going to do and with whom is not just the negative impacts on our farmers but also the upsides, and sometimes they are not just within not just that deal. For example, the deals with Australia, New Zealand and others that we are doing will be a stepping-stone to the CPTPP, for which there are potentially larger gains for some sectors. We do not look at these things in silos if we are doing our job right and we are looking out for British farmers.

Q262 **Sir Mark Hendrick:** On that point, Minister, before you go any further, if we want standards to be raised but we are turning a blind eye to the fact that nations are not sticking to the standards, because we want to get into CPTPP, does that not defeat our object of trying to raise standards?

Penny Mordaunt: I take issue with that. You have talked about creative tension between Departments. If we did not care about those things and we were not trying to raise standards, this would be a lot easier. I would just be asked to crack on. Vicky would have much more time on her hands. It is because we are trying to do both these things that we have this. It is tough and difficult stuff, but what we have to look at is how we can pragmatically achieve those objectives, and we also have to look wider than just the trade deal in front of us. Oliver, do you want to do the monitoring and evaluation?

Oliver Phillips: On monitoring and evaluating, we will be setting up a framework to do it on policing—I am thinking particularly of the SPS standards. Chris and Victoria know which experts on this—the Food Standards Agency and Food Standards Scotland, advising Edinburgh—are responsible for policing that. There is a reasonably intensive regulatory regime set up to make sure that our food, plants and animals are safer. I will pause there in respect to the Chair's call for time.

Chair: Much appreciated. Thank you very much. Lloyd Russell-Moyle, do you want to come in on the usual elastic 30 seconds?

Q263 **Lloyd Russell-Moyle:** I really take heart to your commitment, Penny, in your wanting to raise standards across the board, but how do we assess the success of that? If you are saying that Australia is already going to move in a couple of years to meet some of these standards, how do we assess whether our trade deal has applied pressure to make that timeframe quicker, or has it done nothing? Is there any assessment there? How do we make sure that there is not the unintended consequence that, because we have created a competitive advantage, we slow down the progress in Australia because farmers there suddenly find that it is financially more advantageous for them not to make the transitions that they were planning to make anyway? I am keen to know what assessment you and your Department are making to ensure that our trade deals are speeding up people coming to our level rather than actually slowing it down.

Penny Mordaunt: I think that, as well as letting my colleague carry on with the monitoring and evaluation, which I think is the key to getting



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this right, I would also point to the work I alluded to that we are doing with the WTO, which we want to have on the agenda at MC12. I think it is a particular issue with developing nations that we need to have a policy approach to standards, which we know is going to drive things in the right direction, so there will be more on that. But there is a lot of work going on, on that.

Q264 Lloyd Russell-Moyle: Do you do an assessment before the trade deal is signed, to ensure that it is pushing countries to go quicker rather than potentially making them go slower on meeting food standards? Is there any piece of work that is done to assess that, like we would with other areas, such as equality or human rights—an assessment like we do on trade benefit?

Sir Mark Hendrick: An impact assessment.

Lloyd Russell-Moyle: Yes, an impact assessment on it.

Penny Mordaunt: The short answer to that is yes, and there is also sector-specific work that goes on there. So there are impact assessments, and evaluation and monitoring.

Oliver Phillips: In terms of the baseline, Australia, for example, has a voluntary code for all its territories, which the territories are obliged to adopt, in effect, one after the other. Australia has set that out really quite clearly. Together our Departments have looked at that closely, so we know exactly what the baseline looks like. These trade agreements with Australia and New Zealand I believe provide for a number of working groups where we can discuss a range of issues.

Q265 Lloyd Russell-Moyle: If the impact assessment has happened, what is the assessment of how quickly our trade deal will help speed up Australia's compliance? Will it reduce the time it takes them to comply by six months, by two years? What is our assessment?

Oliver Phillips: I would not call it a formal impact assessment. I am a civil servant—I'm a bit of a creature of process. Forgive me that point; it needed to be said.

Lloyd Russell-Moyle: That is what you are here for.

Oliver Phillips: Building on some of the Minister's earlier points as to what you can do with trade deals, I think the thing to highlight in both trade agreements is that we have an animal welfare chapter that I believe is a world first. In both we have commitments to non-regression and non-derogation to apply our countries' respective laws and to work together internationally to raise our standards.

Lloyd Russell-Moyle: But we have no assessment of whether that is going to speed things up.

Q266 Chair: Effectively the thing we are asking is: will this trade deal make any difference to animal standards in Australia and New Zealand?

Victoria Prentis: Very briefly, I think there are two slightly different things that we are talking about. The first is the SPS regime, for which we



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have superb monitoring, and the Food Standards Agency here and in Scotland deal with that, and I have great faith in them that the food we eat is safe, as I hope you do too. Then there is the question of how we monitor other, higher standards. It is not new; that has always been the case. What we are now more concerned about is the quantity of food coming in, and the spotlight being shone, within the context of our new freedom to make trade deals, on exactly what is coming, because although we have always had goods brought in that absolutely meet our safety standards, but not necessarily every single welfare standard that we have. That is the case today and always has been, frankly.

Lloyd Russell-Moyle: There is a tariff to make that disadvantageous, but we could remove it and instead use other checks.

Victoria Prentis: Exactly. This is where we have the tools in my toolbox, a tariff being one of them and market access being another. Can I possibly throw in another that we have not yet talked about—assurance schemes from other nations? These are schemes that I am quite interested in, particularly in the context of labelling and trading standards. I am very interested in how other nations are able to monitor their assurance. Do you want to talk further about that?

Chris Heaton: Yes, I could pick up on some examples where—this goes back to your question—we already have some schemes in place that allow importers to show that they have met certain standards. We talked about how with slaughter standards there is a process of showing a certificate that the animal has been humanely slaughtered. Hormone beef is a really good example—obviously a lot of US producers use hormone beef, which is banned here—where the producer can go through an accreditation scheme that allows it to prove that the beef is being reared without that process and therefore can bring it into the country. So those examples exist and can be expanded upon.

Q267 **Anthony Mangnall:** Could you provide us with a list? It would be very interesting to see the examples of where that has worked.

Victoria Prentis: Yes.

Chair: Just before that, I have a long queue and, Tony Lloyd, you have been very patient.

Q268 **Tony Lloyd:** I am always very patient. Our two Ministers and their colleagues have come under friendly fire from Neil Parish, but I will continue, if you do not mind, in the same vein.

Minister Prentis, you have told us that the SPS standards are irretrievably there and will protect food safety, but you are less clear on the question of animal welfare and environmental standards. Henry Dimbleby pointed out in his report to you—and to the world—that if we do not uphold environmental standards and animal welfare standards in the Australia and New Zealand context, it sets a precedent.

Let me give an example in terms of CPTPP. We know that Malaysia has had a major deforestation process to develop agricultural land. That is



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something that runs counter to this Government's policy—which I applaud, by the way—on the Forestry, Agriculture and Commodities Trade Dialogue. How would you prevent that precedent being set there?

Following Oliver's earlier point that we can introduce certain standards of checking, as we multiply our trade deals—without being rude to the Malaysians or the Brazilians—do we have the same confidence that we can set up a regime to satisfy the British consumer that animal welfare and environmental standards are being maintained across all the deals? Do we know about this, and can the public be informed? Minister Prentis, you mentioned possibilities about labelling, and that is interesting, but how do you persuade me to eat Neil Parish's mulesed sheep or a battery hen, which is kept in conditions that the public would not accept?

Victoria Prentis: This is the nub of the issue. We have the regulatory baseline beneath which we will not import, and that is rightly equal for domestic products and for imports. Yes, I suppose Parliament could vote to have hormone-treated beef or chlorinated chicken, but I am certainly not voting for that, and I suspect other Members in this room would not be queuing up to do that either.

As I said earlier, we can go further than just safety. We have done so on the slaughter regulations that we were talking about and with some deforestation regulation, which is also in there. We are allowed to go further than food safety, but traditionally we have not.

We have always been proud traders across the world, and to date we have accepted food that is not produced to the same standards as it is here. Mr Parish could tell you about the pork industry, where we made significant changes for animal welfare reasons, in this country, which led to a certain amount of pork production being moved away from this country. We are very conscious about ensuring that decisions we make on animal welfare do not lead to those sorts of effects.

That is where the tools come in, and I would never suggest that labelling was the complete solution. I want to use everything we have talked about, and indeed more. The farm assurance schemes, for example, are a really interesting solution that we have not used in enormous detail in the past, but, along with tariffs, I think it is something we could use in the future.

Q269 **Tony Lloyd:** Can I push you on this point about precedents?

Victoria Prentis: That is really a question for Penny.

Tony Lloyd: If we are saying to the Australians that mulesing is okay—

Victoria Prentis: We are not.

Tony Lloyd—or that deforestation is not troubling us in terms of the FTA agreement, what does that say for the agreement with Malaysia? What does it say for the agreement with Brazil?

Penny Mordaunt: We have been very clear—in capital letters—that we treat each deal separately. You are right that there might be political



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pressure put on us by someone saying, "Well, you've done this over here; why won't you do it with us?" but we will not yield to that. We have to treat each arrangement as distinct, and that is our approach. We are not saying, "This practice is fine." That is not the case. We have discussions around this and we are looking at pragmatic ways to help raise standards across the board. But just because we have done a deal on a certain issue or with a nation that we have confidence in about progress they are going to make in a particular area, it does not mean to say that we are going to do that with someone else.

Q270 Tony Lloyd: Following Neil Parish's point, would that mean that we would then refuse access if we were to see even lower standards with respect to battery hens, for example? What would you do? Minister Prentis, you said you do not want to build poor standards.

Victoria Prentis: One option is to deal under an FTA and say, "Yes, you can trade with us in beef and sheep but not necessarily in eggs." These trade deals do not have to cover every single type of agrifood, and if we have a particular concern, there is no reason why we cannot say so.

Chair: Neil Parish, do you want to come in quickly?

Q271 Neil Parish: Sow stalls are banned in only two states of Australia; the rest of them allow them. That will cause a huge problem with competitiveness and animal welfare. As we do deals, when you allow greater and greater access you have the bigger problem of putting our farmers at a disadvantage on animal welfare and competitiveness. As you allow more in, surely you can ask for those standards to be higher, because then you actually raise them. Could that not be linked in? Please answer that very quickly; I want to then ask a question on the environment very quickly, sorry.

Chair: The elastic 15 seconds, there.

Penny Mordaunt: Each deal is distinct. There will be discussions around all sorts of practices and what the policy intent of that nation is. These are part of the negotiations. I think that is our approach.

Q272 Neil Parish: They must not be traded away for other issues, and I think that is what worries us.

Very quickly on the environment, Brazil has cut down rainforests twice the size of the county of Devon this year alone. It is rearing cattle in the rainforest and ploughing up the savannah and growing soya beans, which they are exporting to this country and to Europe and beyond. As we do trade deals, for goodness' sake, surely we have to take action. We cannot start having those products from Brazil. Are you going in with your eyes wide open, rather than saying, "Oh, this is a trade deal. Let's take it. It's very good", and then on to the next one? We have to wake up to what is going on in these countries. I saw it with my own eyes when I went to Brazil, and it has got worse since. Are we taking this into consideration as we go forward?

Victoria Prentis: Penny and I had a discussion this morning; one of the



things that we talked about was that in Brazil they produce some 70 kg of carbon dioxide per kilogram of beef produced. We were talking about how here we aim for about 30 kg per kilogram produced. In Australia it is 45 kg. That is absolutely the level of conversation we have.

Q273 Neil Parish: It may be complicated, but are you still going to get over that complication and sign the deal? That is what worries me. We have to face reality, because a tree in the rainforest takes in three times as much carbon as one of our trees takes in, so every time they destroy these hectares and hectares of rainforest, we have a huge problem, and by buying their food we encourage them to cut more down.

Penny Mordaunt: Absolutely. Let me reassure you on that front. I do not want to mention particular nations—otherwise I will get into trouble—but it is absolutely the case that we may feel comfortable doing a deal with one nation and feel that we are in a good place on issues for both our farmers and other sectors that we care about, such as the environment, animal welfare and other standards, but just because we have done that with one nation does not mean that we are going to be comfortable doing it with others. That is why the right approach is to treat each deal as a separate issue. That may make some conversations very difficult for us and we may come under political pressure from the other side of the table, but we are very clear about what our objectives are, and how we achieve them will differ from place to place.

Q274 Mick Whitley: My question is to Penny. Both the TAC report and the NFS review proposed that impact assessments for trade agreements should focus more on areas such as food safety, animal welfare and the environment. How extensive will the coverage of these areas be in future impact assessments that are given to Parliament?

Penny Mordaunt: They are already covered, but there are moves to deepen the expertise. There are some new groups being set up that look at each of these issues. Again, my colleague can probably give a bit more detail on that.

Oliver Phillips: I am very happy to, Minister. The IAs are quite extensive. I know that this Committee looked at it with regard to Japan, for example, which did cover animal welfare. We are absolutely committed to a full impact assessment—this time with a capital I and a capital A—and that covers the economic and environmental impacts, which will be fully and independently scrutinised by the RPC, but I can follow up on that if it is useful.

Q275 Mick Whitley: The NFS review also argued for trade agreements' impact assessments to be produced independently of the Government. How will future impact assessments be produced?

Penny Mordaunt: Again, there is an independent element to this.

Oliver Phillips: Again, I am very happy to step up to the bureaucratic plate on this one. It is produced in the Department, which is where the expertise—that of our Whitehall colleagues—sits. But crucially, there is an



independent regulatory body called the Regulatory Policy Committee. It is a small committee of various businesspeople supported by a cadre of economists who look through and give it a rating. If that rating is not sufficient, the Department goes back and rewrites it. So it is produced by the Department, but it is very much independently scrutinised for quality.

Q276 Tony Lloyd: Can you just put this on the record? The impact assessment is an initial stage of the game. We have already had some conversations about how things move on over time. Penny, I think you told us that you see these things as being dynamic, so is there a dynamic impact assessment process that will allow us to periodically review where we have got to?

Penny Mordaunt: That is the monitoring and evaluation structures, which I mentioned earlier.

Q277 Sir Mark Hendrick: Just to address this point about having a different or tailored approach to each country, it is all right saying, "Well, if they don't comply with what we want to do on forestry, we might not buy their beef or we might not do this", but surely the more deals you sign, you are going to have a patchwork quilt of deals across the globe, and that will trigger all sorts of arguments between different countries—"Well, he's selling that to them, but he's not selling it to us". That could cause chaos. Surely we should be moving towards trying to have a consistent approach to each country, rather than a tailored approach, so that you get some sort of harmonisation on standards rather than necessarily the lowest common denominator or whatever they can get away with, because that is where we are going.

Penny Mordaunt: There is clearly work going on at the WTO to produce international standards for a lot of these things, in other sectors as well, and to make efficiencies in those sectors. Clearly people are doing that. I think that trying to do that through trade deals will by itself fail. We are not starting from the same point with a lot of these countries. The types of deals we are doing with them are very, very different. There will be partnerships that we want to form with some nations to help their development in some of these areas. I just do not think it would work. Although years hence it might be something that we want to do, I think we will arrive at the same point by doing these deals, being focused on what our objectives are with each one and doing the policy work on standards and other issues, through the forums we have, WTO obviously being the key one. But I just think that this will not practically work by trying to do the same thing with everyone.

Q278 Sir Mark Hendrick: I am not saying you should do the same thing with everybody; I am saying you should at least try to have a floor whereby everybody agrees and then add to it, rather than have individual bespoke deals.

Penny Mordaunt: We do have a floor, and it is what is in law.

Sir Mark Hendrick: Yes, in terms of SPS but not for things such as animal welfare or deforestation.



Chair: Time. I am sorry.

Q279 **Lloyd Russell-Moyle:** I think you are raising a good point, though, Mark.

Going back to the TAC, the new members have been released—it is still an interim commission. I have two questions related to that. First, how were those new members selected and what role did DEFRA have in advising on their selection? Secondly, is it expected that that will be the makeup of the group when it becomes a statutory body or, when it becomes a statutory body, are we expected to see another list of new names, some that might carry over, some that might not?

Penny Mordaunt: On the process—again my colleague might be able to give more details, as this happened before I arrived—it is owned by DIT but there has obviously been informal liaison with DEFRA, as most of the people involved are DEFRA's, as it is the key Department. In the conversations that we have had so far, we would like to perhaps formalise that a bit, so that DEFRA has a bit more input, and in a more formal way. Then, just to reiterate my earlier points, this is an interim body for technical reasons, but it is the body that will be running forward.

Victoria Prentis: About half the members of the previous TAC—in fact a little more—have gone through the new fair and open competition to be members of the new TAC. It is hard to say whether they will be willing to serve again, but certainly it is a very impressive list.

Q280 **Lloyd Russell-Moyle:** I know that TAC is not representative. There is no one there from consumer groups—people talking about the end use by the consumers buying these products—or even the retail sector. Do you think that is an oversight, or was there a deliberate decision to focus only on producer certification, import and export?

Penny Mordaunt: You will probably have to give the history of the set-up.

Oliver Phillips: Most happy to, Minister. I suppose the key bit I would emphasise is that it is a body that is there to scrutinise standards at the producer end. It is deliberately a cross-section of people who can do that. As part of its impact assessment, DIT produces an analysis, and although that touches upon consumer impacts, the TAC is there to assure public and Parliament about statutory protection—that is what its membership represents.

Victoria Prentis: This this may be helpful or not, but we obviously have many other fora, as does DIT—for example, its agrifood trade advisory committee—for dealing across the board with just the sorts of people you suggest, but I agree, not on the TAC.

Q281 **Lloyd Russell-Moyle:** But they are not on the same statutory footing and do not have the same role in advising on producing reports for the trade deals. My focus is always that the end point is about: "Does it advantage the consumer? Does it make things better for normal people?"

We understand that the TAC is going to scrutinise the text of the



prospective Australia agreement, in parallel with this Committee. What are the arrangements for the TAC's report to then come to this Committee to be reviewed? I wonder whether this could be not just an ad hoc for Australia but an arrangement we could carry forward. Penny, I put this in your mind because you were Secretary of State for Development when I was on the International Development Committee. We had a very good way of getting ICAI reports, and we would hold special sessions. Although that was an independent body, we would review reports as a Committee and go through them with the Ministers. Is there something similar envisaged for the TAC reports, or has that yet to be developed?

Penny Mordaunt: I have asked my officials to look at this in a bit more detail and to work with both this Committee and Neil's, because I think we have a time period in which TAC will need to have produced its report and we will have to produce our response. But then, that comes up against the CRaG process, and even though you can see the text of the deal, you will want to see those reports from those bodies and our response to them in a way that gives you time to scrutinise them before you come to that process. I have asked my officials to have a think about that timetable to make sure that both this Committee and the EFRA Committee—because I understand you need to see the TAC report as well—can do that. We have thought through the timetable of how that will work. So I cannot give you a detailed answer, but I have flagged it as a perfectly valid point and it is one we need to address and come back to you on.

Q282 **Lloyd Russell-Moyle:** Ultimately, I guess you and I would want us to give a very positive recommendation to Parliament on the deal, so that when Parliament ratifies it, it goes through easily and smoothly—not that I would necessarily expect anything different with the majority that the Government have. That is the ideal, is it not? It is about making sure that this Committee is brought along on those discussions. I know that, for example, the heads of terms on the New Zealand deal are now out in public. Do you think there is a need for some of those discussions with us to be broached before it becomes public?

Penny Mordaunt: If you do not mind, I will take that away and come back to you about it. You are part of our scrutiny process, and the whole point of having one is that you arrive at something good at the end of it. I want it to work well, and I hope you think that that has been my approach in previous roles. I will have a think about that, but I recognise that, as you appreciate, a lot of these things we are doing are fairly new. We need to establish these practices and a sort of battle rhythm of working that factors in the time you need and does so in the most sensible way.

Chair: I think Lloyd Russell-Moyle's excellent point there is that we can scrutinise only end products. We cannot help to shape and inform in a symbiotic way during the process, and I think that probably is what we are looking at.



We cannot keep a good man. The Chairman of the EFRA Committee will come back in again.

Q283 **Neil Parish:** Briefly, I thank the Minister very much for that response, because I think that the more we can see the report from the TAC and the quicker that Committees can see it, the more likely we are to be settled down on the overall trade agreement, so I think we would very much welcome that.

I want also to say to you that the New Zealand deal now seems to be almost neck and neck with the Australian one, as to who is going to get there first. Therefore, it is going to be important that the new TAC is familiar with the New Zealand deal as well as the Australian one. Can we be assured that it will be given enough time to look at them properly before you do the final signing—or the Secretary of State or the Prime Minister or whoever does the actual signing at the end?

Chair: Or, indeed, that if it requests more time, it will get it.

Neil Parish: That is right, exactly.

Penny Mordaunt: We were having a discussion about this earlier. Can we direct the TAC to do certain things within a particular timeframe? We can strongly suggest, and I think that it would want its work to be of use. I think that even though it is an independent body, there needs to be an understanding about how this is all going to work together and how the timetable is going to pan out. That is really well understood and is what I have tasked my officials with looking at.

Neil Parish: Can I just put on record that I very much appreciate the work that I do with both Angus—the Chair here—and the Committee, and that I am conscious that DEFRA cannot take over the role of the Trade Committee? We have to come to an arrangement, so I think perhaps we can talk to you, Ministers, along with Angus, about exactly how that can be done, so that I do not park my tanks too much on Angus's or this Committee's lawn—not that I have got too many tanks at the moment, but I am trying to find some as we speak.

Q284 **Chair:** Although I think that as Chairs we get on quite well, we have not quite got to the stage of hugging each other like the Ministers did.

Ministers, as a final point as we wrap up, on the scrutiny side and of what we see as a Committee, be aware, maybe, of your own power in dealing with other countries and of the headlong rush, as I see it, to write and to sign trade agreements, the trade agreement for New Zealand benefits the New Zealand economy by 0.3% of their GDP. As you know, the advantage to the UK economy is about 0.01% of GDP. It is 30 times greater for New Zealand. That is probably why New Zealand is quite cock-a-hoop—a country on the far side of the world from it decides to Brexit and damages its own GDP by up to 5% for next to no benefit, and the benefit goes to New Zealand, at 0.3%. That gives you a power with countries such as New Zealand.

For all the trade agreements that the UK has got going, together, they do



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not come to about a half a per cent of GDP. If the American one is taken out, they do not even hit a quarter of a per cent of GDP, for the 4.9% damage that Brexit will have done. The point is that you have the power and the time, and sometimes I wonder whether, given the lack of GDP gains, all the energy that has been put into this has been worth it, but it has to be done because of the damage that has already been done. So good luck to all sides in what you are doing, going forward, and if we can be of further help, we will be.

I know that the Minister might want to come back. In fairness, I will let her.

Penny Mordaunt: Yes, I do. You are a very fair Chairman.

Chair: The one thing I was going to say to the Minister is that she volunteered to come back, and the door is always—or just about always—open for Ministers from the DIT.

Penny Mordaunt: I would repeat the point that I made earlier that we should be looking to lever good things for our farmers and other sectors out of every deal, but we need to look at this more widely than each individual deal. By 2030, 21% of global meat imports are going to be in the CPTPP area, so potentially there are some big prizes for us.

Q285 **Chair:** CPTPP is worth about 0.08% to 0.1% of GDP; it is not huge.

Penny Mordaunt: Yes, but, looking at what these opportunities are across all sectors—particularly, I am thinking about agriculture—the New Zealand deal, the Australia deal and other things that we are working on are stepping-stones to other, greater opportunities. I think that when we are evaluating these things, we have to look at the bigger picture as well as each individual deal, and there are opportunities there.

Q286 **Chair:** I do get that point. When I said it is less than half a per cent of GDP, I was including everything that is on the horizon just now—0.02% from Australia, 0.2% from America, compared with 0.08% to 0.1% from CPTPP. You do not come to much more than 0.35% of GDP that has been gained in all this work.

I think it is important to be just aware of that and of what New Zealand is gaining from this deal. The rush does not really need to be on the UK side. You have greater power. You can take them down further, not expose our market so much and perhaps leave our EFRA Chair sleeping better at night as a result.

These are just words from the Committee from our experience over time—words to ponder, perhaps—and we can discuss and debate them another time.

Penny Mordaunt: But they are gains, and if you believe in free trade, it benefits both sides.

Q287 **Chair:** Undoubtedly they are gains, but they are gains against the 4.9% damage the UK chose to do to itself. That is the reality.

Penny Mordaunt: I am afraid that I cannot leave it there, because,



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again, you need to look at these things as a whole. We are receiving all kinds of benefits from the decision that the British public made to leave the EU—we can go into them at another time.

Chair: It is tempting.

Victoria Prentis: Could I quickly say that in the agricultural space the changes we are making to English agriculture will, I think, leave us in a very much stronger place, paying farmers public money for public goods? I said earlier that I could talk all day about how we can lead the world on some of these standards issues, and I genuinely think that that is what we are doing in agricultural policy.

Penny Mordaunt: Fewer lawyers, more scientists.

Chair: Final words to the Ministers, there. Thank you both very much for coming along and thank you to your experts as well. Thank you particularly to Oliver Phillips for the kind words about Sir David Amess—it shows how many people David Amess touched in his life.