Welsh Affairs Committee

Tuesday, 3 February 2026

Sir Chris Bryant MP
Minister for Trade
Department for Business and Trade

Follow up questions from the Government's response to our report into *Farming in Wales in 2025: Challenges and Opportunities*

Dear Sir Chris,

I am writing to request further information regarding the Government's response to the Welsh Affairs Committee's report into *Farming in Wales in 2025: Challenges and Opportunities*, published on 12 November 2025.

Following its consideration of the Government's response, the Committee would welcome further clarification of the Government's response to our recommendation concerning the impact of the UK's Free Trade Agreements (FTAs) with Australia and New Zealand on Welsh farmers.

In its response to our recommendation on the UK's FTAs with Australia and New Zealand, the Government said:

> *Defra carefully monitors trade data, including the usage of the quotas under the trade agreements with Australia and New Zealand. There is no evidence that the Trade Agreements with Australia and New Zealand have had an impact on Welsh beef or lamb production. The quotas for beef and lamb have not been fully utilised since the agreements came into force, although imports of Australian beef and lamb, and New Zealand beef have risen under the agreement. Government analysis, and preliminary trade data, suggests that these imports from Australia and New Zealand are primarily displacing other imports – mainly from the EU – more than impacting on domestic UK production.*

Witnesses, however, told us that imports from Australia and New Zealand permitted under these FTAs, were having negative impacts on the farming sector in Wales.

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Welsh Affairs
Committee

To help us better understand the implications of the UK FTAs with Australia and New Zealand on the sale of beef and sheep meat in Wales, I would be grateful if you could share with us the trade data referenced in the Government's response which illustrates the impact on farmers in Wales of the imports of sheep meat and beef permitted under these FTAs. In addition, it would assist our work scrutinising the impact of FTAs if you could send to us data setting out the current utilisation of tariff-rate quotas included within these FTAs, impacts on Welsh farmgate prices, and any differential impacts on Welsh farmers compared with farmers in other parts of the UK.

I would appreciate a reply by 3 March.

Yours sincerely,

Ruth Jones

Ruth Jones MP
Chair of the Welsh Affairs Committee

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13 March 2026

Dear Ruth,

Thank you for your correspondence of 3 February, seeking further clarification to the Government's response to your recommendation concerning the impact of the UK's Free Trade Agreements (FTAs) with Australia and New Zealand on Welsh farmers. My apologies for the delay in this reaching you.

In January 2026, the Department published a UK FTA Monitoring Report, which sets out how our agreements with Australia and New Zealand have operated in their early years. The report brings together detailed data on UK-Australia and UK-New Zealand trade from entry into force to May 2025, including analysis of how preferential tariffs are being used and trends in agri-food exports from Australia and New Zealand to the UK.

In order to provide a complete and transparent picture, in addition to the information available in the report, I am sharing the latest data available for the 2025 calendar year. Beef and sheepmeat are defined according to the relevant FTA tariff rate quotas (TRQs) for both trade flows and TRQs and are reported in product weight. At the national level, trade values are reported on a country of origin basis using HMRC Overseas Trade Statistics. At the regional level, trade values are reported on a country of dispatch basis using HMRC Regional Trade Statistics, which allocate trade to UK regions according to business-level employment shares. Below is a summary of key results.

Imports

- In 2025, the UK imported 36,600 tonnes of sheepmeat from New Zealand, 51.7% of total UK sheepmeat imports.
- In 2025, the UK imported 16,500 tonnes of beef from New Zealand, 5.8% of total UK beef imports.
- In 2025, the UK imported 24,900 tonnes of sheepmeat from Australia, 35.2% of total UK sheepmeat imports.
- In 2025, the UK imported 15,000 tonnes of beef from Australia, 5.3% of total UK beef imports.

In 2025, when compared to 2022, there were decreased beef[1] imports originating from the Netherlands (3.9% down to 1.9%), Germany (5.3% down to 0.4%) and Ireland (47.2% to 43.7%)[2]. This suggests there may have been potential substitution away from EU countries in favour of Australia and New Zealand, although the causality of these trends cannot be determined by the data alone.

Total volume of UK imports of beef in 2025 were only slightly lower than in the 2022 (-0.4%) and lower than their 2018 value (-18.3%). UK beef production was 85% of the UK market in 2023 and 2024 and remained at 84% in the first 9 months of 2025 (full data for 2025 are not yet available).

Utilisation of tariff rate quotas

- All sheepmeat imports from New Zealand in 2025 were under the existing WTO quota and did not reach the level required to trigger preferential access under the UK-New Zealand FTA. Therefore, increases in sheepmeat imports from New Zealand may have occurred without the FTA coming into effect.
- New Zealand utilised 24.2% of their beef quota in 2024. This increased to 82.4% in 2025.
- Australia utilised 32.1% of their FTA quota on sheepmeat in 2024 and 45.6% in 2025.
- Australia utilised only 13.1% of their beef quota in 2024 and 29.3% in 2025.

Regional imports

In the 12 months to June 2025, Welsh imports of meat and meat preparations[3] dispatched from Australia increased 81.8% (up 414 metric tonnes), compared to the 12 months pre-EIF. This is a smaller increase than five out of the eleven other UK regions, with the greatest increases for the East (+310.5%, up 10,800 tonnes) and London (+954.1%, up 2,900 tonnes).

Across the same period, Welsh imports of meat and meat preparations from New Zealand increased 96.9% (up 155 metric tonnes). Four out of the eleven other UK regions saw a greater increase, the greatest being for the East (+139.9%, up 14,800 tonnes) and the South East (+162.1%, up 7,500 tonnes).

All-prime deadweight cattle prices

All-prime deadweight cattle prices for Great Britain have risen strongly over the long term. Average monthly prices increased from 361.2p/kg in 2018 to 647.4p/kg in 2025 (+79.2%). These have continued to rise since EIF, in the 12 months to May 2025 prices averaged 565.6p/kg, up from 456.1p/kg in the 12 months pre-EIF of the Australia and New Zealand FTAs (+24.0%).

Deadweight Standard Quality Quotation (SQQ) sheep prices for Great Britain have also continued to rise. Average monthly prices increased from 461.4p/kg in 2018 to 711.7p/kg in 2025 (+54.3%). In the 12 months to May 2025 prices averaged 691.2p/kg, up from 571.3p/kg in the 12 months pre-EIF of the Australia and New Zealand FTAs (+21.0%).

[1] Beef includes HS Codes: 0201; 0202; 02061095; 02062991; 021020; 02109951; 02109959; 16025; 16029061; 16029069, as in FTA quota 054970.

[2] These values will be lower than those reported on a country of dispatch basis as goods originating from elsewhere (e.g. the Netherlands, France, Germany) may be shipped to Ireland for grouping, storage, or logistics processing, then dispatched to the UK.

[3] ‘Meat and meat preparations’ is the lowest level of aggregation in the HMRC regional trade statistics.

All-prime deadweight cattle prices and SQQ sheep prices are only available for Great Britain, so we are unable to provide analysis at a regional level.

The evidence set out above does not demonstrate a clear link between the UK’s FTAs with Australia and New Zealand and impacts on UK or Welsh beef and sheepmeat production to date. While imports from Australia and New Zealand have increased since entry into force, overall UK beef import volumes remain broadly stable compared with recent years, with imports from Australia and New Zealand currently appearing to displace those from the EU. Domestic production continues to account for the majority of UK consumption.

In the case of New Zealand sheepmeat, all imports in 2025 continued to enter under the long-standing WTO tariff-rate quota, meaning that observed increases in import volumes could have occurred in the absence of the FTA.

For Australia, although utilisation of FTA tariff rate quotas has increased, quota usage remains below available limits, and import volumes remain small relative to overall UK consumption and domestic production.

Current data indicates deadweight cattle and sheep prices in Great Britain have continued to rise.

The department is planning to publish comprehensive ex-post evaluation reports for the UK-Australia FTA and UK-New Zealand FTA. These will be published approximately 5 years after EIF. These reports will aim to show how, why and for whom the agreements and their implementation have generated outcomes.

Data

For further information and for full datasets please refer to the following sources:

- HMRC Overseas Trade Statistics by Country of Origin
- DBT UK Trade Quotas
- AHDB GB Monthly Deadweight Cattle Prices
- AHDB GB Monthly Deadweight Sheep Prices
- HMRC Regional Trade Statistics
- UK home fed meat production, trade and supplies

Yours sincerely,

Chris Bryant

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