To: House of Commons International Trade Committee

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The NFU of England & Wales (NFU) represents 55,000 members across England and Wales. In addition, we have 20,000 NFU Countryside members with an interest in farming and rural life.

# NFU response to International Trade Committee inquiry: UK New Zealand trade negotiations


**Summary**

1. In a trade deal with marginal benefit to the UK economy it is concerning that the government's own impact assessment notes that the two sectors expected to be negatively affected, are the agriculture and the semi-processed foods sectors, with an expected drop in GVA of £48 million and £97 million respectively.

2. As the UK develops its trade policy through a focus on tariff liberalisation the cumulative damage from trade deals is a significant concern. UK farmers and growers are proud of their high production standards – whether in terms of food safety, environmental protection, employee rights and welfare, and animal welfare.

3. The UK has gone much further and given up far more in prized market access concessions than New Zealand has without getting much in return. There is far more in this deal of benefit to New Zealand farmers than there is to UK.

4. The NFU is not opposed to free trade, but we do believe that deals must be balanced in respect of offering reciprocal benefit. They should have adequate measures or safeguards in place to maintain domestic production standards and for those sectors deemed as sensitive. Without this, it is difficult to see how these deals match up to the government's rhetoric to support our farmers' businesses and to uphold our high animal welfare and environmental standards.

5. New Zealand is a country which produces similar agricultural products to the UK but due to a benign climate, a lower population (5 million compared to the UK at 69 million), and larger farms, New Zealand can benefit from lower costs of production than the UK. The cost of lamb production in New Zealand is 63% of the UK and the cost of producing milk bis 25% lower. Therefore, New Zealand can out-compete UK producers solely on price and could lead to the displacement of British produce on our domestic market.

6. As a result of this, British farmers are again being asked to directly compete with some of the most cost-effective producers in the world with little clarity from the government as to how to get 'match ready' and to compete effectively. Whilst the development of an additional 8 dedicated agricultural attachés is welcome, bringing us up to 10 (New Zealand themselves have 18 agricultural attachés around the world) the rapid progression of Free Trade Agreement negotiations means that we risk too little action, too late. We would welcome further clarity from UK Government on the timings of the appointments of these agricultural

attachés and would welcome assurances that they will be equipped with the skills and technical knowledge to allow them to excel in their roles. The NFU would be keen to assist the government to achieve this goal.

7. There remains an urgent need for government to pursue a more coherent approach across all departments to focus on UK farming's productivity and food security. In particular, the government should be much more explicit in setting out a strategy to work with farmers to become competitive food producers at a time when food security is an increasingly important concern, while meeting the challenges of climate change through promoting sustainable and climate-friendly practices.

8. It Is very disappointing that there is little in the UK/NZ deal that promotes the value of products carrying UK Geographical Indications, something crucial for the government to meet its stated 'made in Britain sold to the world' campaign. These geographical indicators allow the UK to sell 'Brand Britain' to an international stage and it is shocking that the only provision made in this deal has been for Scottish Whisky.

9. Despite the downsides, we welcome several aspects of the trade deal. The establishment of a specific UK-New Zealand SPS Committee tasked with monitoring the implementation of the agreement and to provide a forum where parties can raise any concerns is welcome. The UK prides itself on high animal welfare and the NFU has committed to achieving net zero by 2040 in agriculture therefore we support the inclusion of the Animal Welfare and Environment chapters to help achieve this.

**Introduction**

10. We continue to welcome the government's commitment to grow our exports of Great British food abroad. We support the government's stated objectives in its Free Trade Agreement (FTA) negotiations to secure broad liberalisation of tariffs on a mutually beneficial basis, considering UK product sensitivities, including in agriculture.

11. However, whilst we welcome the governments ambitious approach to trade deals, we are deeply disappointed that the sectors predicted to be damaged in this trade deal are the agriculture, forestry, fishing, and semi processed food sectors. These sectors are expected to see a reduction in GVA of £48 million and £97 million respectively. The government notes that 'these sectors may grow in the future'. However, the cumulative impacts of both the Australia (where agriculture and the semi processed food sectors were predicted to be damaged by £94 million and £225 million respectively) and New Zeland trade deals appear deeply concerning for UK farmers and growers who pride themselves in their industry and exceptionally high welfare standards.

12. Once again British growers and producers are being asked to compete directly with some of the foremost producers and agricultural exporters in the world without the necessary resources to compete effectively. Investment in research is a core element of New Zealand's agri-food export strategy, for example its industry has made vast strides towards increasing the shelf life of their products whilst in transit. It has invested heavily in 'super chilled' container ships to extend the shelf life of their lamb from 28 days to 60 days. By comparison Meat Promotion Wales has used similar innovative techniques to achieve an extended shelf life of Welsh Lamb of 33 days.

13. This commitment by the government and its industry to the progression and competitiveness of New Zealand agriculture is to be applauded. In order that the UK may hope to compete fairly and realise opportunities in overseas growth markets, similar investment must be made by our government to improve our match readiness.

**To what extent has the government achieved its stated negotiating objectives or delivered on the agreement in principle?**

14. The government has successfully achieved its stated negotiation objective of reducing barriers to trade in goods, although this is to the potential detriment of UK farmers and growers.

15. Trade between the two nations is currently relatively limited and predominately focused on a select number of product lines. Removing tariffs across all agri-food products is likely to facilitate growth within product categories where tarrifs were previously seen as a barrier and within sectors where the exporting nation is highly competitive, for example within the red meat sector where the UK's MFN tariffs range from 65-113% for beef and 38-62% for lamb.

16. From an agricultural perspective the UK Government has agreed to eliminate tariffs on New Zealand imports, although they will be phased out over a period of years on some products. Tarrifs on beef will be eliminated after 10 years, with a further 5 years when a product specific safeguard for beef foresees the possibility of introducing a 20% tariff on volumes above a defined volume trigger. For lamb, tariffs are eliminated after 15 years. Tariffs on cheese and butter will be eliminated over a period of 5 years and tariffs on fresh apples will be eliminated over 3 years.

17. There is little in this deal which benefits UK farmers and we do question whether the government has effectively delivered on its objective to take into account UK agricultural product sensitivities. It seems that once again a negotiating partner has achieved all they have asked for whilst our farmers are left wondering what the positives are for them, particularly given that New Zealand is already an open economy with very few import tariffs for agricultural goods. This will only serve to increase pressure on UK farmers who are already seeing huge increases in input prices, up 18.3% from last year to December 2021[1]. Coupled this with the phasing out of support payments and the squeeze on labour it is evident that this deal puts disproportionate pressure on the UK's farming sector.

18. The NFU wants the government to deliver a package of measures to ensure that UK farmers are in the best position possible to export our high-quality food around the world, but also ensure that our domestic agricultural sector can increase its competitiveness and productivity. Without both elements, it will be challenging for UK farm businesses to compete with major agricultural powerhouses like New Zealand. For example, despite the UK being amongst the top milk producing nations in the world, the cost of producing milk in New Zealand is 25% lower than in the UK. Moreover, the cost of New Zealand lamb production is 63% lower than the UK's. This is primarily because New Zealand farmers face different regulatory and climatic conditions that allow them to

[1] API – Index of the prices of agricultural outputs and inputs – statistics notice (data to December 2021) - GOV.UK (www.gov.uk)

significantly reduce their fixed costs, for example less need for buildings, winter forage crops and storage of manures.

19. As discussed above the NFU would welcome commitment from the government for the investment needed to get UK agriculture match ready for this new trading environment. For example, with investment into 'super chilled' container ships to extend the shelf life of British produce and allow us to access wider markets. The NFU would also welcome further guidance on the timeline of appointments of agricultural attachés and are keen to ensure they have the technical knowledge to excel in their roles.

**How might the UK-New Zealand FTA affect you, your business or organisation, or those that you represent? If possible, please describe the current situation and what you expect to change as a result of this agreement.**

20. The UK-New Zealand trade deal will place additional pressure on UK growers and producers, especially those in our beef and lamb production industry and apple industry. Trade between the countries is currently relatively balanced, with New Zealand presently not filling its existing generous WTO sheep meat quota.

21. Currently the UK imports 83,000T of sheep meat annually. In 2019 New Zealand supplied 38,675T which is 63% of the UK's total imports for sheep meat. Whilst New Zealand has not filled its current sheep meat quota since 2008, it is already an established and significant supplier of lamb to the UK. In light of this it is difficult to see the justification behind liberalising trade in this area as New Zealand already has a strong and unfilled foothold in the British market.

22. New Zealand has access to the UK sheep market through its country-specific WTO quota of 114,138T with no tarrif applied. Outside of quota tarrifs range between 38-62%. As a result of the trade deal New Zealand will eventually be able to access 164,138T tarrif free (ahead of complete tariff elimination). This is 198% of the UK's import requirement. They will. Sheep meat will be on a first come first served arrangement instead of a licence agreement which could result in surplus product on the market at points in the year and result in the displacement of UK produce.

23. Trade should be a reciprocal relationship between countries. However, with a country with a population of 5 million compared with the UK at over 66 million it is hard to see where this reciprocity in agricultural goods lies. New Zealand is already more than self-sufficient in lamb and exports 95% of what it produces. Therefore, scope for exports of lamb to New Zealand is minimal at best (only 219T in 2019), especially without the protections of Geographical Indicators.

24. For dairy, New Zealand currently has very limited access to the UK market, in 2019 sending 821T of butter and 3.5T of cheese, and has preferential access through the WTO quota. New Zealand is 880% self-sufficient in dairy and is hugely competitive on the global market with Fonterra the main dairy co-op processing 80% of milk in New Zealand and controlling 30% of the world market. The unlimited access New Zealand dairy companies will have to the UK market from Year 6 onwards will result in an unbalanced outcome, with much more opportunities for New Zealand than our own producers.

25. Due to the scale of operation in New Zealand and the power of Fonterra, the cost of producing milk is 25% lower in New Zealand than in the UK. This contributes to

costs savings down the supply chain and could lead to the direct replacement of UK produce products as New Zealand is able to directly undercut on price.

26. Again, with dairy the lack of protections for Geographical Indications is a missed opportunity for the UK to capitalise on the reciprocal nature of trade deals and impedes UK exporters from differentiating British products on the New Zealand market. Research has shown that GIs can contribute to an increase in price paid for goods of 1.55 times that of products without GI certification. Given that GI is a key factor of UK exports, contributing 25% of exports by value in 2018, this is a missed opportunity.

27. At present the UK imports 42,778T of apples from New Zealand. Due to the climate New Zealand produces much the same varieties as the UK, for example Braeburn, Cox and Royal Gala. New Zealand is also able to meet UK retailer specification which means substitution of domestic production is likely. According to FAO data the farmgate price for New Zealand apples are typically $(USD)400-$500/t less than UK apples, partly due to better access to labour and access to a wider selection of plant protection products.

28. This means it would be cost effective for an importer to import apples from New Zealand into the UK and store them for use during the UK season. New Zealand is more than self-sufficient in apples, exporting 65% of the apples it produces, therefore it is difficult to see how the UK benefits from this trade deal.

29. In short, the UK has gone much further and given up far more in prized market access concessions than New Zealand has without getting much in return, for example protection of Geographical Indicators.

**What oppourtunities or potential costs does this agreement present for the devolved nations and English regions?**

30. One of the aspects of UK agriculture is that it is not homogenous across the regions. Different types of agriculture and horticulture pertain in different parts of the UK according to various factors such as climatic conditions, geography, topography, and proximity to market. Livestock production and dairying are dominant in the West of the UK (and very much predominate in Wales), whilst horticulture and arable enterprises are more typically encountered in central, southern, and eastern parts of the UK. In Wales in particular, agriculture and family farms make a very significant contribution to cultural life and sense of national identity.

31. The Welsh countryside is characterised by farms of a modest size, typically owned and/or occupied by farming families, who will often have farmed in that locality for many generations. By their very nature, rural communities in Wales are small or in isolated locations. In these communities, it is often farmers and members of their families that support, sustain, and facilitate many aspects of community life. Therefore, the effects of new trade deals will be felt most keenly in these communities who rely on red meat production to sustain their way of life. The lack of protection of GI for Welsh Lamb is of real concern as this is not just a valuable marketing tool, providing legal assurances, but an area of real pride and importance for Welsh producers and reflects the production methods unique to the area.

32. As mentioned above, the cost of producing dairy is 25% lower in New Zealand than it is in the UK. There are a number of reasons why the cost of producing in New Zealand is so much lower. Due to a much smaller population – 5m compared to the UK's 67m – there is much less competition for land and farms tend to be larger. For example, the average UK dairy herd is around 150 cows, compared to 440 cows in New Zealand. Farmers in New Zealand also have access to more crop protection tools compared to farmers in the UK. Differences in climate also means that animals in New Zealand can be kept outside for longer which reduces cost. The effects of the trade liberalisation in relation to dairy is therefore almost certain to be felt disproportionately hard in the West of the country.

**What oppourtunities or potential costs does this agreement present for UK producers**

33. New Zealand already levies very few tariffs on agricultural imports which means that this deal has a negligible effect in terms of improving access for exports from the UK to New Zealand. New Zealand represents a market of less than five million people (compared to the UK population of over 66 million people). The opportunities for exports of agri-food products to New Zealand are small and where they do exist, it will be for finished consumer goods that are not necessarily derived from UK agricultural products. This is not just because of population size, but also because New Zealand produces very similar things to us and is largely self-sufficient, with the vast majority of its farmers producing for the export market. For example, New Zealand is 880% self-sufficient in liquid milk and exports over 90% of the beef it produces.

34. From the government's own impact assessment, this deal is expected to see a reduction in gross value added of £48 million for agriculture and £97 million for the semi processed foods sectors. In terms of potential costs this is expected to be £29million off the bottom line of UK beef production. This combined with market liberalisation through other trade deals, such as that with , which has predicted a reduction in GVA for agriculture of £94 million and semi processed foods of £225 million[2], clearly demonstrates the costs of this Free Trade Agreement on UK producers.

**Are there any opportunities which have been missed, or could have been taken further?**

35. We are incredibly disappointed to see that the UK government only chose to protect Scottish Whisky in this agreement with no other Geographical Indicator protection. Whilst we acknowledge that there is an agreement to re-visit this in two years if New Zealand have not put in place any provisions, there is nothing concrete to ensure that our prided GI status products are protected.

36. UK producers are proud of their products and the heritage which comes along with them. The use of Geographical Indicators would have allowed us to differentiate our product from the world market, access a premium and increase profitability. This is evidenced by the European Commission funded study by AND-International in 2012 which found that GI products sold for 1.55 times as much as non-GI products for the same volume. Given that 25% of UK food and

[2] Impact assessment of the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and Australia (publishing.service.gov.uk)

drink exports (by value) are generated by GI, worth £5bn in exports in 2018[3], it is incredibly disappointing that this oppourtunity has been missed.

37. It is extremely disappointing that there are almost no provisions to protect UK GIs in the agreement. The UK and NZ will review the situation if NZ signs an international agreement that requires NZ to protect GIs or if NZ adopts any substantive change to its GIs regime (e.g. introduction of a scheme for the registration and protection of agri-food GIs). In those circumstances, this agreement will be amended so that no less favourable treatment is applied under this chapter in relation to the standard of protection of GIs than the standards applied under the above-mentioned international agreement or the domestic change. If New Zealand does not introduce a scheme within two years after entry of force of the agreement, both sides will review the provisions related to GIs. There is no legal requirement to agree anything, just to revisit discussions.

38. The UK has 80 GIs on agricultural products to protect high quality product identities and protection against imitation. Geographical indications also allow UK farmers to differentiate their products in international markets to help improve their competitiveness and profitability. AHDB found that the real value of the PDO and PGI schemes which UK farmers can utilise, is derived from consumer willingness to pay a premium price for specific products.

39. High value UK cheeses carrying the GI designations are likely to be amongst the limited number of categories of food that will benefit from tariff liberalisation into New Zealand. It is therefore a genuinely missed opportunity that the government has failed to reach an agreement with New Zealand on the use of GIs despite the significant market access concession that has been granted in favour of New Zealand. We must ensure that failure in the New Zealand deal does not create a precedent across other agreements. The NFU believes that ensuring GIs receive protection in all third countries must be a priority for the government

**What lessons and inferences for other current and future negotiations can be drawn from how the Government approached, and what it secured in the FTA with New Zealand?**

40. The NFU supports the government's efforts to join CPTPP. Having bilateral agreements in place with both Australia and New Zealand should help with the accession process. We welcome both the Australian and New Zealand commitment that they will not seek anything more through the CPTPP, although there is in practice little scope for further concessions to New Zealand beyond what they have already secured under the generous terms of the bilateral FTA.

41. We will continue to follow the UK's accession to the CPTPP closely, especially aspects such as protection of UK Geographical Indicators, retention of the UK's right to regulate in respect our Sanitary and Phyto Sanitary (SPS) rules, and the clear need for robust animal welfare and environmental commitments.

42. UK farmers are concerned that cumulative impacts of the deals with Australia and New Zealand will set a precedent for future trade deals with Canada, the USA, Mexico, India and others such as the major agricultural producers in South America. Fully liberalising the UK's sensitive agricultural sectors, even with "phase out" periods for tariffs, undermines the investments that UK farmers have

[3] https://gpfoods.inparliament.uk/sites/appg_gpfoods.inparliament.uk/files/2021-06/APPG Minutes - GP Food 03.03.2021_0.pdf

been making, both on farm to improve productivity and deliver environmental or animal welfare gains, and in increasing their market share at home and abroad. At a time when domestic support for agriculture is also being completely overhauled and input prices continue to climb, with concentrate feed up 41% year on year to January 2022[4], it adds to the uncertainty and ultimately creates an unlevel playing field for our farmers.

43. By providing fully liberalised, preferential access to New Zealand for key commodities such as beef, sheep meat, dairy and apples, the UK has lessened its negotiating capital with future trade partners. As countries like New Zealand increase exports to the UK, the value of similar preferential tariff rates to other countries will naturally reduce. This makes it more likely that the UK will have to offer significant concessions - larger than may otherwise have been the case - in order to secure UK priorities in future trade deals. The NFU has serious concerns on this and encourages the government to consider the longer-term impacts of its trade negotiations

**Has the Government got the right balance overall in terms of any trade-offs it has made, and how do you expect these will affect you, your business or organisation, or those you represent?**

44. It is disappointing to see that the volumes set within the beef TRQ are determined by 'shipped product weight' and not 'carcas weight equivalent', as it is under the lamb TRQ (which takes into regard a coefficient acknowledging that not all parts of an animal's carcase are saleable and is therefore a fairer way of determining volumes of saleable product.) Shipped product weight favours the imports of high value cuts and can therefore create pressure on carcase value received by UK producers.

45. For example, 7,000 tonnes of striploins would require 20% of UK prime beef kill to produce. New Zealand currently sends cheaper cuts of meat to the US but the majority of its expensive cuts come to European markets. As shown above, even small volumes of high value cuts of beef could impact UK beef farmers. UK beef production is only viable if high value cuts are sold at a competitive price. If UK farmers are unable to sell these because they cannot compete with New Zealand given the differences in costs of production, then their businesses will struggle to remain viable only through selling much cheaper meat cuts like mince and stewing steak.

46. Furthermore, the government's own impact assessment predicts a reduction in gross output as a result of the FTA of 1% for beef. In value terms this is equivalent to £29 million off the bottom line of UK beef production. This, combined with the negative impacts on British farmers competitiveness as a result of the shipped product weight quotas favouring higher value cuts of meat, paints a concerning picture for UK beef producers.

47. As with the Australian trade deal, the NFU welcomes the inclusion of a bilateral safeguard clause to protect domestic producers for up to five years after the phase out of quotas which would allow tarrifs to be re-imposed. However, we are concerned about the limited application in which the safeguard may be imposed.

[4] Feed prices and markets | AHDB

48. To use the bilateral safeguard clause there is a requirement to demonstrate serious injury or threat of serious injury to domestic production (Chapter 3, Article 3.6). The first and second "safeguards" identified above are product specific and can be triggered at an arbitrary and pre-defined volume of imported product (but not at a pre-defined value of imported product). However, the "bilateral" safeguard measure applies to all goods and is intended to provide protection if the sector faces injury as a consequence of increased trade with New Zealand. In this event, the UK Government could trigger an investigation and apply on a provisional basis (pending the outcome of the investigation) actions to reinstate tariffs or suspend further tariff liberalisation only to "the extent necessary to prevent or remedy the serious injury and to facilitate the adjustment of the domestic industry." If the government were to take such action, the length of time such action can remain in place is limited to two years, with a further two years possible under exceptional circumstances. The conditions of use are also subject to a range of caveats which would have to be considered in any potential actions taken by the government.

49. The bar to trigger action under the safeguard clause is set high. "Serious injury or threat of serious injury" is not the language of ordinary events in routine trade. Direct causal effect would have to be proven to be as a result of the increase in imports from New Zealand specifically (and not as a result of market conditions generally). In practice, this makes these types of clauses very difficult to apply. It is much more likely that market pressure will happen because of the cumulative impact of increasing imports from around the world at the same time. The safeguard clauses in the UK-New Zealand FTA offer no protection against this. We call on government to step up its market monitoring to ensure any warning signs are picked up and action is taken early.

50. Furthermore, the purpose of the safeguard is ultimately to facilitate the adjustment of the domestic industry to the new trading environment. It is not clear how the sector would be expected to adjust given the nature and somewhat limited options many farmers, especially livestock farmers in the UK's uplands, would have.

51. Notwithstanding our concerns regarding the applicability and efficacy of the bilateral safeguards, it is disappointing that the UK Government's ability to potentially use them is also time limited. The agreement includes no safeguards that can be applied in respect of New Zealand imports five years after the corresponding tariff for that good is eliminated (i.e. this is from Year 11 onwards for beef and Year 16 onwards for sheep, which is the longest timeframe for any products under this deal on which these safeguards can be used). Therefore, whilst we welcome the inclusion of safeguards the NFU have deep concerns over the usefulness of them in protecting domestic production.

52. We welcome the standalone chapter on animal welfare which retains the right of the UK and New Zealand to regulate on their own animal welfare policies and priorities. We support the commitment to cooperate bilaterally and in relevant international forums on animal welfare and especially welcome the non-regression provision which provides that standards in either country cannot go backwards to undercut each other. This is of particular value to UK farmers who pride themselves on their world class animal welfare standards. The joint welfare working group to be established is a critical step forwards to facilitate this cooperation between the UK and New Zealand and promote high welfare practices.

53. The NFU welcome the inclusion of a strong environmental chapter in this agreement which recognised the sovereign right of each party to establish its own environmental priorities and levels of environmental protection. We support the agreement to take measures and promote efforts to reduce greenhouse gas emissions from agricultural production and to achieve domestic net zero targets by 2050.

54. The NFU has set the ambition for UK agriculture to reach net zero by 2040 and therefore we believe the government should be using policy leaver including trade policy to incentivise higher standards of production and climate friendly farming models. Therefore, we support the inclusion of a strong environmental chapter in the agreement with New Zealand.

**How well has the Government communicated the likely impacts of this agreement for you, your business or organisation, or those you represent?**

55. The NFU believes that stakeholders should be actively consulted and kept abreast of developments prior to the commencement of, and throughout, any negotiations. The government has established a number of forums for stakeholder engagement, including Trade Advisory Groups. The NFU welcomes these important bodies but is yet to be convinced that they achieve the degree of engagement and co-operation between government and stakeholders that is required, and that is often the norm in other countries around the world.

56. The recent Australia/UK Agreement in Principle provides a case-in-point, where the details of the significant tariff concessions conceded by the UK government had not been properly shared, tested or interrogated for their impact by affected domestic stakeholders before they were announced as part of a largely "done deal". Indeed, the details of these concessions were first encountered by UK organisations such as the NFU when they were published by the Australian government.

57. The UK Government should maintain an ongoing review programme of all FTAs as they are implemented and through the lifetime of the agreements. This should include a regular assessment of agri-food imports and exports under individual FTAs, looking at the associated effect on domestic prices and levels of UK self-sufficiency and changes in market penetration for UK exports. It should take into account the cumulative impact of each additional FTA as they are agreed and implemented. This will give reassurance to farmers that there is a solid evidence-base to develop domestic and trade policies dynamically as our new FTAs come online to help industry adapt and adjust as necessary.

58. In addition, the NFU would stress the importance of maintaining good lines of communication between the UK and the devolved governments with respect to UK negotiations, not least because many of the obligations that a concluded trade deal will give rise to will need to be delivered, implemented and overseen at a devolved level. This is particularly true in relation to agricultural and environmental matters. The UK economy is not homogenous. For example, the Welsh economy differs from the wider UK economy in that trade with the EU accounts for 61% of its exports, compared to 43% of the UK's exports in 2019. Ensuring that devolved interests inform the UK negotiating position should help identify, avert, and minimise negative impacts that could stem from proposed trade deals as regards their impact on regions of the UK.

59. Whilst the UK Government is responsible for international relations and treaty making, the devolved administrations (DAs) and legislatures are likely to have at least some responsibility for the application, administration, scrutiny, and oversight of the obligations that trade agreements give rise to. It is our view that the Welsh Government and the Senedd ought to have an appropriate degree of involvement by being sighted of relevant documents ahead of such agreements being entered into, as well as the development and approval of implementing legislation which underpins concluded trade agreements. This should include involvement in developing the UK's negotiating mandate and in scrutinising trade negotiations. The NFU does not represent farmers in Scotland or Northern Ireland, but by extension we believe that this approach should be reflected across all constituent parts of the UK.

**Conclusion**

60. In conclusion the NFU believes the government has conceded substantial access to the UKs agricultural sector, while achieving little of benefit to UK farmers in return. We are concerned about the predicted damage to the sector as a direct result of this FTA. The damage will be felt more keenly in the Welsh Devolved Authority which relies heavily on beef and lamb production and the protection of Welsh Lamb under GI to support rural livelihoods and communities.

61. In order to ensure UK farmers are match ready for the cumulative impacts of successive trade deals where the combined reduction in GVA to agriculture and semi-processed food sectors stands at £142 million and £322 million respectively, UK domestic agricultural policy must be reformed with sustainability and competitiveness at its heart, alongside a commitment to make the necessary investments to drive UK export growth in agri-food products.

## Annex 1

62. **Table 1.** Examples of current trade 2019 (HMRC data)

| | UK exports to NZ in 2019 | UK imports from NZ in 2019 |
|---|---|---|
| 01 Live animals | £2,967,096 | £402,904 |
| 02 Meat and edible meat offal | £425,650 | £224,412,229 |
| 03 Fish and crustaceans, molluscs and other aquatic invertebrates | £87,338 | £6,235,156 |
| 04 Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included | £8,064,003 | £27,797,855 |
| 05 Products of animal origin not elsewhere specified or included | £685,412 | £986,789 |
| 06 Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage | £5,078 | £569,839 |
| 07 Edible vegetables and certain roots and tubers | £18,417 | £13,531,709 |
| 08 Edible fruit and nuts; peel of citrus fruits or melons | £50,590 | £43,520,965 |

| | | |
|---|---|---|
| 09 Coffee, tea, mate and spices | £2,499,045 | £20,711 |
| 10 Cereals | £46,289 | £11,859 |
| 11 Products of the milling industry; malt; starches; inulin; wheat gluten | £364,986 | £4,747 |
| 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medical plants; straw and fodder | £245,366 | £6,097,131 |
| 13 Lacs; gums, resins and other vegetable saps and extracts | £57,565 | £54,646 |
| 15 Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes | £430,128 | £3,078,126 |
| 16 Preparations of meat, fish or crustaceans, molluscs or other aquatic invertebrates | £105,168 | £555,836 |
| 17 Sugars and sugar confectionery | £2,171,498 | £1,202,109 |
| 18 Cocoa and cocoa preparations | £4,036,794 | £216,874 |
| 19 Preparations of cereals, flour, starch or milk; pastrycooks' products | £6,783,985 | £5,292,160 |
| 20 Preparations of vegetables, fruit, nuts or other parts of plants | £1065215 | £422,228 |
| 21 Miscellaneous edible preparations | £5816207 | £990,489 |
| 22 Beverages, spirits and vinegar | £17,976,542 | £249,002,713 |
| 23 Residues and waste from the food industries; prepared animal fodder | £8,149,406 | £489,057 |