

To: House of Commons International  
Trade Committee

Date: September 2020

The 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 the House of Commons International Trade Committee inquiry on UK trade negotiations**

**Does the Department for International Trade (DIT) have the right objectives in respect of each Free Trade Agreement (FTA) negotiation?**

1. On 6<sup>th</sup> February Secretary of State for International Trade Liz Truss gave a [written statement](#) to the House of Commons setting out the government's proposed approach to trade negotiations with other priority partners. In [responding](#) to this statement the NFU set out that it believes that future FTAs must not undermine British farming's high standards if they are to benefit both producers and the public, and to promote more sustainable farming around the world. The NFU wants to see an international trade outcome that supports farmers to grow their businesses and to grow food for Britain and beyond. To do so, the government must take a bold but composed approach to forthcoming trade negotiations. This approach must ensure that British farmers can continue to produce food to the current high standards of which they are proud; ensure they can do so on a level-playing field with producers elsewhere in the world; and maintains access to current markets for domestic produce, while growing demand at home and abroad.
2. In the statement made by the International Trade Secretary it was reassuring to see a clear commitment to safeguarding our high standards of environmental protection and animal welfare in future trade negotiations. The NFU also welcomes the assurance that nothing in any agreement will undermine the government's commitment to tackling climate change. This will be crucial if UK farming is to meet our ambition of achieving net zero carbon emissions by 2040.
3. It is also important that the UK Government has acknowledged that it should walk away from any trade deals if the terms are not right. Seeking a trade deal at any cost runs the risk of the UK making unacceptable concessions just to get a final agreement over the line.
4. The government must ensure any trade deals we negotiate promote, rather than undermine, the model of farming the UK excels in, with its high standards of animal welfare and environmental protection. This means ensuring that the food we import meets the same high standards required of UK farmers – not only ensuring UK farming can thrive, but that it can act as a gold standard for farming across the world to emulate. We urge the government to make an explicit commitment that it will ensure all food imports meet those standards too and that they enshrine these commitments in law, ensuring legislative protection for our high standards of production and food safety.
5. Free trade can be a force for good, but it must involve a balance between promoting growth and productivity amongst domestic producers, providing greater choice for the public, and promoting more sustainable models of production and consumption across the world. The NFU looks forward to working with the government as it negotiates trade agreements and re-establishes itself as a global leader on the international stage in realising all three of these objectives.

## What are the potential opportunities and risks of each proposed FTA?

6. Trade is fundamental to farming, the value chain it services, and the consumers who buy our products. UK farmers are proud to produce safe, high quality and affordable food that the public trusts and enjoys. Along with growing the domestic market developing new markets abroad is essential for the future of agriculture.
7. To achieve this ambition, the government must understand both the offensive and defensive interests when engaging in trade negotiations. Liberalising trade through a reduction in tariffs with third countries may bring benefits for the UK economy, including the creation of some opportunities for British agri-food exports. Any FTA concluded will also increase market access for those countries to the UK, thus increasing competition for UK businesses. However, any agreement concluded must be balanced, must encompass the whole agri-food value chain, and must put adequate measures or safeguards in place to respect domestic production standards and for those sectors deemed as sensitive. This could include significant periods of adjustment for market access concessions, specific safeguard clauses to ensure action can be taken to avoid damaging price falls for domestic producers and adequate financial support to help any farmers affected by trade deals to adjust.
8. The NFU responded to the relevant DIT consultations which closed on 26 October 2018 with our views on future trade negotiations with the US, Australia, New Zealand, and on accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Below the NFU briefly sets out the potential opportunities and risks it sees in each FTA, along with some general remarks.

### Trade and standards

9. The NFU believes that to enable and support a thriving British agriculture sector it is crucial that the UK's future trade policy respects domestic production standards. To do otherwise would contradict the government's own stated commitment to upholding our high animal welfare and environmental standards and would undermine British farmers. This principle is something which should be upheld in every FTA negotiated by the UK Government.
10. UK farmers and growers are proud of their high standards of production – whether in terms of food safety, environmental protection or animal welfare and indeed many other factors of operation. Many of these standards are underpinned by law, but these regulatory requirements often result in comparatively high costs of production for UK farm businesses. Often, global competitors have less stringent requirements, giving them a competitive advantage over UK producers, through production methods that fall below the expectations of the UK public. It is important that UK farmers are not put at an unfair disadvantage through the imposition of extra costs, both direct and indirect, that are not shared by overseas competitors who are exporting food to the UK. Equally, recent analysis by the consumer group Which? demonstrates that UK consumers have a clear desire that food imports adhere to the same high standards as UK producers. The research found that most people in the UK would feel uncomfortable eating food produced using methods not currently in the UK, with nearly three quarters (72%) saying that food from countries with lower standards should not be available here.<sup>1</sup>
11. The government set out in its negotiating mandates for Australia, New Zealand and the US very clear parameters for trade talks; including a commitment not to undermine our high environmental protection, animal welfare and food standards. To have this embedded from the outset of the talks is critical and is an important factor in ensuring that these trade deals work for both UK farmers and consumers. The government also acknowledges that any liberalization of the UK's import tariffs must consider the sensitivities of UK agriculture, which will provide further reassurance to

---

<sup>1</sup> <https://www.which.co.uk/policy/eu-exit/5462/tradeconsumerdeals>

UK farmers. Nevertheless, with formal talks underway, there is no doubt that UK negotiators will come under significant pressure to find ways of allowing greater access for third country agrifood goods, many of which may have been produced in ways that would be illegal in the UK. Our negotiators, therefore, must ensure that that this pledge made in the UK mandates remain forefront in their minds and that it is translated into specific commitments in the draft legal texts.

12. The NFU welcomes the recent establishment of a Trade and Agriculture Standards Commission and awaits its recommendations to government and Parliament on the policy strategy needed to ensure balanced, reciprocal and fair deals with trading partners around the world that uphold UK standards of production. The NFU continues to seek demonstratable assurances that future trade policy decisions will not result in a flood of sub-standard imports on to the UK market.
13. Given the high impact that trade agreements invariably have on consumers and the economy, including primary producers, the negotiation and ratification of trade agreements should be subject to a high level of democratic scrutiny and accountability at all stages. We believe that the UK Parliament should also be given an active and formal role in the process, significantly more than is currently provided for by under UK constitutional arrangements. At present, MPs will not necessarily “have a vote” on the final form of any trade agreements signed by the UK with other countries and so may not be able to exercise any influence should there be concerns about the impact of these deals on their constituents.

## **US / UK FTA**

14. The NFU hopes that a US/UK deal will provide one of many opportunities for British farmers to sell more great British food overseas. We are confident, if we are assured a level playing field to compete on, that we can lead the way when it comes to sustainable, high welfare and climate-friendly farming.
15. The NFU believes that there could be benefits to a UK-US trade agreement. The US is in fact the largest export market for UK agri-food beyond the EU, with more than £2.2billion export trade in 2018. UK farmers are proud to already supply US consumers with high quality agrifood products including dairy, pork and organic certified goods. We believe there is potential to continue to grow our exports of high value, desirable agri-food products to the benefit of US consumers. However, there are also significant challenges for our respective trade negotiators, which should not be underestimated. In particular, in recognising that there are very different regulatory approaches to food safety, biotechnology, environmental protection and animal welfare between the UK and the US.
16. In leaving the EU and developing an entirely new approach to domestic agricultural support, there are challenges and opportunities ahead for British farming. Our priority remains to secure a close and comprehensive relationship with our principle trading partner, the EU. Once the terms of that relationship are agreed and clearly understood, we do believe that there will be scope to negotiate a successful deal with the US, respecting the priorities of farmers on both sides of the Atlantic. Co-operation and continued dialogue between UK and US farmers and our respective industry bodies will go a long way in ensuring that our priorities and our values are recognised and respected in the outcome of any UK-US trade talks.
17. Tariffs are not seen as the sole barrier to increasing UK exports to the US and negotiating on market access alone will not be enough to close a good deal for farmers. The agricultural trade weighted average tariff for the EU is around 8% and stands at 2% for specific agricultural trade between the EU and the USA. Of the traded value of agricultural goods from the USA to the EU 47.7% is already duty free. Significant non-tariff barriers exist, such as on SPS, which need to be addressed by negotiators to ensure any deal works for UK exporters.

18. US farmers have significant cost of production advantages over EU farmers due to lower regulatory burdens (such as animal welfare, animal traceability, the use of hormones, GM, environmental legislation, access to plant protection products, mycotoxins legislation, etc). The NFU continue to seek demonstratable assurances from the government that future trade policy decisions will not result in a flood of imports produced to lower standards on to the UK market. This could have a significant negative impact on domestic producers and consequently UK consumers.

## **UK / Australia**

19. Australia represents a market of almost 24 million inhabitants, compared to the UK population of 65.6million people and at present trade between both parties is well balanced. The value of UK food, feed and drink exports in 2017 was £410million and imports £423million (HMRC data). However, the structural gap between markets means that there is potential for this modest trade deficit to widen, to the detriment of the UK.
20. Liberalising trade through a reduction in tariffs with third countries like Australia may bring benefits for the UK economy, although the DIT scoping assessment<sup>2</sup> that accompanied the UK mandate estimated that GDP would increase at most by a very modest 0.02% (full tariff reduction and 50% of non tariff barriers addressed). This is equivalent to £200 - £500m for the UK economy. The DIT modelling finds that in this scenario imports from Australia would be expected to increase by 83.2%, primarily in sectors where Australia producers possess the comparative advantage, for example semi-processed foods and agriculture.
21. In agricultural terms, Australia is one of the major global players and as such represents direct competition for UK agricultural producers. As a result, there are limited opportunities for UK agri-food exports in Australia. There is potential for the UK dairy industry to export more premium cheese, especially high-end Cheddars, to Australia. Although the volume opportunity is small it could be at high price. Tariffs on Cheddar are typically 1.22AU\$/ kg (£0.67/kg), so securing elimination of this duty must be a priority for UK negotiators. There is also opportunity for UK exports of pigmeat but for this to be realised UK negotiators must seek to address the complex non-tariff barriers in place on pork imports to Australia, including specific requirements for the heat treatment and deboning of meat.
22. Australia already enjoys preferential access to the UK market through a series of Tariff Rate Quotas (TRQs) held at WTO level for key commodities including beef, sheep meat and sugar. The UK has already replicated this access in the UK goods schedule it filed in Geneva in July 2018 – albeit adjusting volumes based on historical use in a UK only context.
23. We know that Australia would like to increase volumes of both beef and sheep meat into UK markets and due to lower cost of productions would be highly competitive. There is an argument that increased Australian beef imports may displace Irish and any increase in lamb volumes could displace imported New Zealand volumes. However, with negotiations underway with the EU, USA, Australia and New Zealand we are concerned that market access concessions granted across each of these negotiations individually may lead to a significantly negative cumulative effect on the UK industry.
24. Australia is also a very competitive crop producer and compared to the UK, farmers in Australia have access to a larger crop protection toolbox - including active ingredients and biotech – when managing pests, weeds and diseases in their crops. The NFU has long voiced its disagreement with what it sees as the EU's overly precautionary and bureaucratic system for regulating plant protection products (PPPs), believing the system should be driven by the science and be risk-based rather than hazard-based. The current government has talked about championing

---

<sup>2</sup> <https://www.gov.uk/government/publications/uks-approach-to-negotiating-a-free-trade-agreement-with-australia/uk-australia-free-trade-agreement-the-uks-strategic-approach#chapter-4-scoping-assessment-for-a-bilateral-free-trade-agreement-between-the-united-kingdom-and-australia>

innovation and bioscience, with an aspiration that the UK is a world-leader. This fits with the NFU's long-held view that the challenges faced by the farming sector, society and environment need the best science to be turned into innovative solutions, improved practices, and new technologies. However, the size of opportunity for any regulatory reform will largely depend on the outcome of the EU – UK negotiations, hence these should be concluded before any deal is agreed with other partners. UK crop production (arable, horticulture and sugar industry) delivers a high regulatory baseline e.g. the professionalism of pesticide use, protecting water, minimising contaminants and providing full traceability from the farm to the finished product; but this comes at cost. It is unfair to ask UK farmers to comply with this high regulatory baseline, whilst competing with imports grown using technologies that are banned here.

25. For example, since the ban on using neonicotinoid seed treatments the UK has lost its net export status and has become a net importer of Oilseed Rape (OSR). This is due to UK farmers inability to control Cabbage Stem Flea Beetle (a pest which eats OSR and limits yield) and this year the UK is expected to import half of its OSR requirement. Although trade can be sporadic in the 2016/17 marketing year the UK imported 120,000 tonnes of OSR from Australia which would likely have been grown using the same neonicotinoid seed treatments which UK farmers are banned from using. These Australian imports undercut UK prices putting further pressure on farm margins.
26. Australia is a major sugar exporter to the world market, and Australian sugar currently has reduced-tariff access to the UK via several TRQs held at WTO level. They would also have access to the UK market via the new Autonomous TRQ which is proposed for raw sugar in the new UK Global Tariff. Australia is one of the most competitive sugar producers in the world and there are over 25 active substances permitted for use on sugarcane in Australia that are illegal for any use in the UK. These include products such as Paraquat that have been banned in the UK the grounds of environmental impacts. The UK homegrown sugar industry is the third lowest cost sugar producer in the world<sup>3</sup>, but growers in the UK cannot compete on the same terms as sugar growers elsewhere who have access to state support or technologies that are illegal in the UK. We would therefore want to see in any UK – Australia FTA how the government would provide a level playing field for UK farmers with their Australian arable farming counterparts.

## **UK / New Zealand FTA**

27. New Zealand represents a market of less than 5 million people, compared to the UK population of 65.6 million people. New Zealand is the UK's 34th largest non-EU trading partner and 53rd globally. Total trade between the two countries was worth £3.0 billion in 2018, with around 60% of this being trade in goods. This structural gap between markets mean the trade deficit that currently exists between the UK and New Zealand could easily widen, to the detriment of UK agri-food producers
28. The DIT scoping assessment<sup>4</sup> published alongside the UK negotiating mandate finds that a UK-NZ FTA will have very limited potential gains for the UK economy and the estimated gain for UK GDP is 0.00% (full tariff removal and 50% of NTB costs addressed). Under this scenario imports are expected to increase by 40.3% and exports to increase by 7.3%. The DIT modelling notes that in the long run, New Zealand producers may be able to supply the UK at a lower cost relative to domestic producers. In particular, it notes that UK suppliers of goods such as dairy products, beef, sheep meat (including lamb), vegetables, fruits and nuts may be subject to more price competition.
29. In agricultural terms New Zealand is one of the major global players and as such, represents direct competition for UK agricultural producers. New Zealand already enjoys preferential access

---

<sup>3</sup> Cost of sugar production data for 2019/20, LMC

<sup>4</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/901870/uk-strategy-uk-nz-free-trade-agreement.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901870/uk-strategy-uk-nz-free-trade-agreement.pdf)



to the UK market through a series of Tariff Rate Quotas (TRQs) held at WTO level for key commodities including sheep meat, beef, dairy products and kiwi fruits. The UK has already replicated this access in the UK goods schedule it filed in Geneva in July 2018 – albeit adjusting volumes based on historical use in a UK only context.

30. The EU-New Zealand Veterinary Agreement has facilitated and reduced the costs of trade between the two parties. The agreement has already been “rolled over” to apply in a UK – NZ context, as a result New Zealand will continue to enjoy reduced friction at the UK border compared to imports from other third countries<sup>5</sup>.
31. The country-specific TRQ for lamb which New Zealand holds is a highly sensitive issue for UK livestock farmers. The UK is 92% self-sufficient in lamb and the sheepmeat market operates on a delicate balance between UK exports (c. 95% to the EU) and imports from New Zealand. The trade in sheep meat from New Zealand has materially changed over the last 20 years, with New Zealand now sending primarily fresh cuts as opposed to frozen carcasses. This switch to high value cuts is particularly distorting especially at certain times of year when UK lamb is in season (June – Dec). However, domestic consumption is in decline and no one benefits from saturating a well-supplied market with more imported product. The EU level TRQ has not been filled since 2010 as a result of New Zealand reorienting part of their trade towards Asia and as such there is headroom under these existing mechanisms for New Zealand to increase their exports of sheepmeat. The NFU strongly believes that no further access should be given to New Zealand for sheepmeat in the context of a UK – NZ FTA.
32. New Zealand is a global player for dairy commodities, it has a self-sufficiency ratio of 880% in milk and is responsible for almost a third of global dairy trade. The New Zealand dairy industry is highly concentrated and since 2014 there has been over \$2bn capital investment in the dairy processing sector. As a result of this expansion in the dairy herd the New Zealand beef sector continues to expand and we anticipate they would seek access to the highly prized UK beef market, most likely for premium cuts which would directly compete with UK domestic production. Beef production and dairy production are intrinsically linked – beef production is the co-product to dairy. As such the NFU would be extremely concerned about any increase in market access to dairy or beef products through a future UK / NZ FTA.
33. Ensuring UK Geographical indicators (GIs) receive protection in New Zealand should also be a priority for the government. New Zealand has always been opposed to the recognition of GIs both within the WTO and as part of the wider TPP negotiations. In November 2016, the New Zealand Parliament passed legislation which offers some protection for GIs on wine and spirits, but this does not extend to other products. The UK has a number of GIs on agricultural products and this protection needs to be recognised in any future trade agreement negotiated by the UK
34. Transport costs effectively reduce the price competitiveness of UK exports; it is this rather than headline tariffs which act as a barrier to market access. Currently in New Zealand 73% of tariff lines for agricultural products have already been set to zero. There are relatively high tariffs, however, for processed agricultural and food products. If the UK were to enter into FTA negotiations with New Zealand the UK Government should look to secure the reduction of these tariffs.

---

<sup>5</sup> <https://www.gov.uk/government/publications/cs-new-zealand-no12019-uknew-zealand-agreement-on-sanitary-measures-applicable-to-trade-in-live-animals-and-animal-product>

## UK / CPTPP

35. As the committee notes the UK Government has expressed strong interest in joining the CPTPP. While the NFU supports the multi-lateral phased reduction of average tariff levels for agricultural products, notwithstanding the issue of production standards mentioned above, we believe that the protection of sensitive goods on a global market should be a priority when negotiating trade deals. As such, CPTPP includes major agricultural exporting countries who already enjoy preferential access to the UK market in the form of Tariff Rate Quotas (TRQs) for certain key commodities – these include beef, sheep meat, sugar and certain dairy products. This preferential access is provided for in the UK WTO schedule and will be maintained. As a result, the NFU is concerned that in becoming a partner in the CPTPP, the UK Government will be asked to increase market access for sensitive agricultural products.
36. UK agricultural producers could benefit from increased access to the CPTPP market. Areas in which there is potential to expand exports of high-quality UK produce include the beef, sheep and dairy sectors. However, further exploratory work of the potential benefit gained from exporting to these markets through joining the CPTPP would need to be undertaken in order to give a comprehensive overview of the potential for UK agricultural exports

## How robust is DIT's approach to determining the potential impacts of its proposed FTAs?

37. The government has committed to publishing scoping assessments ahead of negotiating objectives being published. In reality these two separate steps have been conducted at the same time for negotiations with the US, Australia and New Zealand, leaving no opportunity for MPs to reflect on whether the negotiating mandate correctly identifies the potential opportunities and threats arising from the FTA negotiation outcomes. Ahead of negotiations commencing the NFU believes that there should be clear assent from Parliament that the UK government has correctly identified all the critical negotiating objectives and that these represent the interests of all parts of the UK, respecting the Devolution Settlements.
38. The NFU also believes that there should also be a requirement for a sustainability impact assessment which provides rigorous assessment of issues such as environmental effect, impact on animal welfare and health concerns. This is to fully understand the breadth of effect significant new international trade treaties would have on the UK economy, environment and wider societal considerations

## What consideration should DIT give to the sequencing of its proposed FTAs, particularly with respect to the simultaneous negotiations being undertaken with the EU by the Cabinet Office?

39. The NFU's priority remains to secure a close and comprehensive relationship with our principle trading partner, the EU. Nothing should be agreed with other trading partners which could preclude the UK from securing an FTA with the EU which offers free and as frictionless trade as possible. We therefore believe that discussions about the EU and UK future relationship should be concluded first, before completing trade negotiations with other trade partners.
40. The EU, as a single trading bloc, is the most important international trading partner for UK farming and given its size and proximity will continue to be so in the future. In 2018, 62% of UK Food Feed and Drink (FFD) exports were to the EU (rising to 74% when alcoholic beverages are excluded) and 70% UK FFD imports (71% excluding alcoholic beverages) were from the EU. This is why the NFU continues to call for a future trading relationship between the UK and the EU which is free of tariffs and quotas and which is as frictionless as possible. The NFU supports the UK Government's and the EU's common objective of securing a free trade agreement that involves no tariffs, fees, charges and quantitative restrictions on each other's goods.

41. Alongside the EU, the UK is currently negotiating trade agreements with the US, Australia, New Zealand, has recently concluded an agreement with Japan, and is working on securing the so-called trade continuity agreements, which seek to roll over existing EU FTAs. A number of these partners including the US, Australia, and New Zealand, are very prolific and competitive global agricultural producers and exporters. The NFU is concerned that although market access concessions granted may look small across each of these negotiations individually, cumulatively it may account for a significant liberalisation of the UK market. It is vital the government assesses the cumulative impact of all market access offers currently being considered

**In respect of each negotiation, how effectively is the Government representing the interests of, and communicating with, devolved nations, local government, businesses, consumers and civil society groups?**

42. Stakeholders should also be actively consulted and kept abreast of developments prior to the commencement of, and throughout, any negotiations. The NFU has welcomed the opportunity for a representative to apply join the DIT Strategic Trade Advisory Group (STAG) and has a place on the Agri-Food Trade Advisory Group (TAG). We will need to assess in the weeks ahead whether this structure provides sufficient opportunity for industry to scrutinise and feed into negotiations. We would welcome further details from government on its plans to keep stakeholders informed as trade talks progress, including under what circumstances government can withhold the publication of relevant documents, and the governance structures that are established to ensure organisations representing relevant interests are properly involved.

43. NFU would stress the importance of maintaining good lines of communication between the UK and the devolved governments with respect to the UK negotiation position, 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 of course homogenous. For example the Welsh economy differs from the wider UK economy in that trade with the EU accounts for 60.7% of its exports, compared to 49.5% of the UK's exports<sup>1</sup>, and so getting the right sort of future relationship with the EU27 is particularly important. Ensuring that devolved interests help 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 Wales.

44. Although there is no formal role for the devolved institutions in the Brexit negotiations, the Joint Ministerial Committee (EU Negotiations) provides a forum by which Welsh interest may be represented by the Welsh Government to UK Government as far as negotiations with the EU27 are concerned. NFU welcomes this provision and going forward we would suggest that a similar intergovernmental forum needs to be founded in order to cover trade negotiations with entities and countries other than the EU27, for example a Joint Ministerial Committee on International Trade.

**How effectively is the Government coordinating across Departments and stakeholders, particularly in relation to aspects of the negotiations with the EU that may affect other trade negotiations?**

45. The NFU's priority remains to secure a close and comprehensive relationship with our principle trading partner, the EU. Nothing should be agreed with other trading partners which could preclude the UK from securing an FTA with the EU which offers free and as frictionless trade as possible. We therefore believe that discussions about the EU and UK future relationship should be concluded first, before completing trade negotiations with other trade partners.

46. The NFU recognises that across Whitehall there is a structure in place to allow for government departments to discuss issues and as such, compare notes across live trade negotiations. However, this is not a transparent process and the NFU believes government must be clearer with



stakeholders about the pros and cons of trade deals. Trade agreements are built on the principle of comparative advantage and by their very definition will involve trade-offs, hence there will be winners and losers. The NFU encourages government to be upfront with industry about these trade-offs and to start conversations early about any mitigation or adjustment measures that may be required.

### Is Parliament able to effectively scrutinise ongoing negotiations?

47. Given the high impact that trade agreements invariably have on consumers and the economy, including primary producers, the negotiation and ratification of trade agreements should be subject to a high level of democratic scrutiny and accountability at all stages.
48. Parliament should be given an active and formal role in the process, significantly more than is currently provided for by under UK constitutional arrangements through the Constitutional Reform and Governance Act 2010 (CRAG). At present, MPs are not guaranteed a vote on the final form of any trade agreements signed by the UK with other countries and so may not be able to exercise any influence should there be concerns about the impact of these deals on their constituents. This makes the UK an outlier compared to most countries around the world, and in particular a number of those with which it is currently negotiating trade deals.
49. The NFU believes that Parliament should be given formal powers with respect to mandating, negotiating and approving future trade agreements. This should include a requirement for parliamentary approval of both the UK's negotiating mandate, without which the government would be unable to start formal negotiations, and the final text of any agreement, without which it would not come into force. Formal mechanisms to allow Parliament to remain updated during negotiations and to express any concerns (or indeed approval) with the progress of those negotiations should also be established. This could include arrangements to allow the executive to share sensitive information with Parliament in confidence if necessary. The NFU believes this approach would improve democratic accountability for UK trade policy, while allowing freedom and flexibility to the executive in negotiating the details of individual trade agreements. Given talks are already underway with a number of trade partners, specific consideration will have to be given to providing effective scrutiny of these negotiations.
50. The government has a manifesto commitment to have 80% of trade covered by Free Trade Agreements (FTAs) within three years. These FTAs will have a huge potential impact on local economies and communities across the UK, for better or for worse. There seems little convincing argument to retain the weak and obscure arrangements under the CRAG, and a number of Parliamentary select committees have examined the issue recently and concluded the process for scrutinising trade deals is in need of reform<sup>6</sup>. The NFU believes new and clear arrangements that improve Parliamentary oversight and democratic accountability are critical as we "take back control" of our independent trade policy.
51. Whilst the UK government is responsible for international relations and treaty making, the devolved administrations and legislatures are likely to have at least some responsibility for the application, administration and oversight of the obligations that trade agreements give rise to. It is NFU Cymru's view that the Welsh Government and the National Assembly 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. NFU Cymru also advocates a role for Welsh Government and the National Assembly for Wales in developing the UK's negotiating

---

<sup>6</sup> House of Commons International Trade Committee, [UK trade policy transparency and scrutiny](#)  
House of Lords Constitution Committee Report, [Parliamentary Scrutiny of Committees](#)  
House of Lords EU Committee, [Treaty Scrutiny working practices](#)  
House of Lords EU Committee, [Scrutiny of international agreements lessons learned](#)

mandate, and the scrutiny of trade negotiations. By extension, this approach should be reflected across the constituent parts of the UK.