

Agri-food in the UK-New Zealand Free Trade Agreement

▶ The UK is renowned for its high quality and sustainable British foods. The UK-New Zealand Free Trade Agreement (FTA) supports farmers across the UK and creates new opportunities for exporters of our world class food and drink. The agreement upholds our high animal welfare and food regulatory standards.

Maintaining our high regulatory standards

All food and drink products imported into the UK will have to comply with our import requirements and regulatory standards for food safety. This deal does not create any new permissions or authorisations for imports from New Zealand and does not compromise on our high environmental protection, animal welfare, plant health, and food standards. For example, hormone-treated beef will continue to be banned from entering the UK market. All products imported into the UK will have to comply with our import requirements, as they do now.

The deal will function in parallel with the existing UK-New Zealand Sanitary Agreement, which covers and facilitates our trade in animal products. The FTA focuses on plants, plant products, and processed plant-based foods. It sets out how the UK and New Zealand will facilitate trade whilst protecting human, animal and plant life health.

The deal ensures that the food traded is safe to eat, animals and plants are free from pests/disease, and contains provisions concerning the application of food safety and plant health measures. The deal allows

businesses to benefit from increased transparency and cooperation on trade in food, animal, and plant products, helping enhance the flow of trade. Similarly, clear provisions on adaptation to regional conditions will allow for trade to continue in the event of a pest outbreak. Through the FTA, the UK and New Zealand have committed to enhance cooperation to reduce the development and spread of antimicrobial resistance.

Advancing animal welfare

The agreement includes a dedicated chapter on animal welfare. The forward-looking provisions in this chapter are ambitious and reflect the importance that both countries attach to high animal welfare standards. This includes non-regression and non-derogation clauses, which will help to ensure that neither country lowers their animal welfare requirements in a manner which impacts trade.

We have secured a comprehensive partnership to work with New Zealand on improving and advancing animal welfare standards. The two countries will continue to recognise the sentience of animals and will cooperate and share information and expertise on animal welfare. Both countries will also work together in international fora to raise animal welfare standards internationally and encourage cooperation on research on animal welfare issues.

Safeguarding our farmers

The UK has secured several measures which will safeguard our farmers and sensitive sectors:

- One measure known as a Tariff Rate Quota applies to a number of sensitive agricultural products. It automatically applies higher tariffs to imports above a certain volume threshold (known as the quota). For butter and cheese, this application will last for 5 years, with beef lasting for 10 years, and sheep meat lasting for 15 years.
- For beef imports, we have secured an additional measure known as a product specific safeguard. Applied from years 11 to 15 following entry-into-force, it imposes high tariffs of up to 20% for beef, if New Zealand imports exceed the outlined volume threshold in a given year.
- For sheep meat imports, a duty-free transitional quota will apply during the 15-year transitional period. New Zealand will only be able to utilise new access to the UK sheep meat market once they have filled 90% of their existing World Trade Organization (WTO) quota. This means that the UK will be able to act if there is a surge of lamb imports from New Zealand under their existing access.
- Additionally, there is a general bilateral safeguard mechanism. This will provide a temporary safety net for industry if they face serious injury, or threat of serious injury, from increased imports due to tariff elimination under this deal. This applies to all products. A bilateral safeguard measure can take the form of an increase in tariffs or a suspension of further tariff liberalisation for up to 4 years. If necessary, it can be reapplied more than once on the same product. The bilateral safeguard

measure can be provisionally applied for 200 days pending a full evidence-based investigation.

World class produce

British food and drink are among the best in the world and renowned for their quality and provenance. We should be unafraid of fair competition and be positive about the export opportunities that exist.

There are strong 'Buy British' trends in the UK and long-standing support for British farmers. 81% of beef sold in the UK is under the British logo, with Aldi, Budgens, the Co-Op, Lidl, M&S, Morrison's and Waitrose all using 100% British beef.¹

The UK won't be flooded with New Zealand lamb. New Zealand already has effective tariff-free access for sheep meat through trading terms under the World Trade Organization, in the form of a tariff rate quota. Nevertheless, in 2020, New Zealand only used less than half that quota.

Gateway to the Asia-Pacific

The deal with New Zealand takes the UK a step closer to joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a free trade area of 11 key Pacific rim markets (including Canada, Mexico and Japan) worth £8.4 trillion in $2020.^2$

Demand for beef and lamb is increasing in the Asian market, in contrast to European markets. By 2030, around half of the world's 2.3 billion middle class consumers are expected to be in the Indo-Pacific region.³



³ DIT, Global Trade Outlook – September 2021 report