

Extended Abstract

Please do not add your name or affiliation

Paper/Poster Title	The impact of Free Trade Agreements with Australia and New Zealand on UK agricultural sectors: A partial equilibrium assessment.
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Abstract prepared for presentation at the 96th Annual Conference of the Agricultural Economics Society, K U Leuven, Belgium

4th – 6th April 2022

Abstract	<i>200 words max</i>
<p>The UK has recently signed a Free Trade Agreement with Australia, and is at the time of writing in negotiations with New Zealand. Both are large and competitive producers of agricultural, specifically livestock, products which are usually classified as ‘sensitive sectors’ in trade negotiations. This paper will use Defra’s United Kingdom Agricultural Markets Model (UKAMM, documentation here), the Partial Equilibrium TRAdE model (PETRA, documentation forthcoming), and a Gravity model of trade to provide a well-rounded and rigorous assessment of the two FTAs. Whilst results cannot be shared at this stage due to sensitivities, the intention is to include estimated impacts on trade flows, gross output, and prices for all affected agricultural commodities under a range of different assumptions, including different strengths of consumer preferences for domestic product, and different degrees of supply responsiveness among domestic producers.</p>	
Keywords	Trade liberalisation, partial equilibrium modelling, policy analysis
JEL Code	Trade: F1; Agriculture: Q1. see: www.aeaweb.org/jel/guide/jel.php?class=Q)
Introduction	<i>100 – 250 words</i>
<p>The UK has recently signed a Free Trade Agreement with Australia, and is at the time of writing in negotiations with New Zealand. Both are large and competitive producers of agricultural, specifically livestock, products which are usually classified as ‘sensitive sectors’ in trade negotiations. This paper presents analysis from Defra’s suite of partial equilibrium models assessing the possible impacts of these two Free Trade Agreements.</p>	
Methodology	<i>100 – 250 words</i>
<p>Partial Equilibrium (PE) models allow for detailed analysis of specific sectors, and are widely used in the analysis of trade and other policies. This paper will use Defra’s United Kingdom Agricultural Markets Model (UKAMM, documentation here), the Partial Equilibrium TRAdE model (PETRA, documentation forthcoming), and a Gravity model of trade to provide a well-rounded and rigorous assessment of the two FTAs.</p>	

Results	100 – 250 words
<p>Sensitive at this stage. The intention is to include estimated impacts on trade flows, gross output, and prices for all affected agricultural commodities under a range of different assumptions, including different strengths of consumer preferences for domestic product, and different degrees of supply responsiveness among domestic producers.</p>	
Discussion and Conclusion	100 – 250 words
<p>Sensitive at this stage.</p>	