

Farming Policy after Brexit

A workshop held in York in November 2017 brought together farmers (from a range of farm businesses) and scientists under the auspices of the Yorkshire Agricultural Society Farmer-Scientist Network to discuss policy instruments for domestic agricultural policy after Brexit. This involved assessing current policies, working out where the gaps were and which policies the group felt most important to take forward for further discussion. This first part of the report summarises the initial discussion in which all participants took part. Not everyone present would, of course, subscribe to every view put forward, but the intention is to reflect the tenor of the discussion. The discussion was guided by a professional facilitator from Dialogue Matters.

It was suggested that some underlying principles should inform the approach adopted:

1. The market place should recognise the true value of produce (this should include not just production costs, but profit, reinvestment requirements, environmental impact and sustainability.)
2. Public (and politicians) should understand the policy.
3. As simple and straightforward as possible, simple to apply on farm but also to administer for government.

Suppose it is 2025 and you are discussing the direction of farming policy post-Brexit. What two things please you most?

Farmers hoped for an economically viable future in which they would get good prices for their produce. They hoped that the market would function in a way that recognised the inherent value of food produced in the UK. They wanted to see a properly functioning market place in which produce produced with lower standards was not being imported into the UK. They hoped that rents would fall in line with a reduction in subsidies.

Policy should be simple to implement on farm and long-term and consistent. There should be better animal welfare. It was hoped that politicians would finally listen to farmers. Farm economies should be at the heart of policy, allowing for reinvestment in farm businesses and the environment. Farming policy priorities should reflect public priorities the public values most from the countryside.

There should be well-directed and efficient use of funds which the public understood. More targeted agri-environmental schemes were needed. It was hoped that farming and nature would co-exist better than before creating a win-win situation. Farming should form part of the solution to climate change.

There should be support for young farmers and the farmers facing the greatest economic challenges should be catered for.

One farmer participant summed up his hopes as follows: 'I have survived Brexit!'

Which policy instruments are working well?

Perhaps not surprisingly, this discussion tended to identify policy instruments which were not working as well as they should. There was a sense that very little was working well, but there were some positive comments which are featured first.

Direct support payments did put money into rural communities, the money got recycled. Payment was perceived as a win-win for farmers, the public and the government. However, there was still a problem with public understanding. The media and the politicians still referred to payments as a subsidy.

The free movement of workers helped to keep slaughter houses working and the picking of crops. Protected designation of origin (geographical indications, e.g., for particular cheeses) was valued.

Domestic policy instruments that were valued included the red diesel discount and agricultural property relief. The Common Agricultural Policy (CAP) has encouraged production, but has it encouraged the right sort of production? Are animal welfare rules consistent in their implementation and sufficiently evidence based? They often worked against UK producers who could not compete with global farmers with lower standards. Higher welfare standards were largely unrecognised: consumers were happy to buy cheaper food. CAP reform was driven by Brussels and farmers were overlooked in the implementation process in the UK.

Improvements in the environment were often not documented. Agri-environment schemes were working politically, but not necessarily for environmental outcomes or public perceptions.

The Stewardship scheme was fundamentally unattractive. Previously more than 35,000 took up the Stewardship scheme, but with the shift from Environmental to Countryside Stewardship less than 10,000 had returned for the next round. Those who had gone back in were still doing the same, but the scheme was not attractive for farmers.

Which need to be strengthened and how?

There was a need to improve transparency; the public didn't see the link between policy and produce in the shops. There was a need to strengthen links between payments to farmers and prices in the market. Transaction costs needed to be reduced. Policy need to be simplified, along with a simplification of supply chains. The Grocery Code Adjudicator should be strengthened. Payments needed to be more than annual and demonstrate value for money in terms of performance. Politicians and the public needed to understand that this is a long-term policy arena and rules could not be changed overnight.

Food labelling needed to be improved and the public needed a better understanding of animal welfare.

Home food production needed to be strengthened. However, it was pointed out that other countries such as China were already willing to pay more for better quality food and exports could be the way forward. There was concern that high quality products could be exported and replaced with low quality products for domestic consumption.

The existing provision for landlord/tenant relationships was not conducive to the long-term success of Brexit. A closer look into legislation for landlords and tenants was needed.

Which of these needs to be redesigned and how?

Self-sufficiency is 60 per cent nationally (although the figure is higher if one just takes account of food that can be grown in the UK). We can import whatever we want competitively, but our self-sufficiency could drop and make us vulnerable to price hikes/market vulnerability. There was a need to measure and increase self-sufficiency.

However, it was questioned whether this was always to the benefit of UK agriculture. Singapore was very stable but not self-sufficient. Did self-sufficiency ensure the viability of the industry? If we became more self-sufficient and produced more of what the consumer wanted, more labour and/or automation would be required.

Land tenure legislation was a big issue for upland farmers. Rent review mechanisms needed attention.

Which new policy instruments are needed?

The value of produce that is produced in the UK needs to be understood. We need to promote our high standards and protect them against lower standard imports. Brand Britain could be re-designed. WTO rules in this area were perceived as working against us, although some latitude would also seem to be granted.

There was a need to re-design access to world and EU markets. Trade agreements with non-EU countries needed to take into account the products that we export. Trade agreements need to be seamless and timely.

There was a discussion of spatial targeting. It was argued that targeting should be based on science and ability to deliver not 'the whim of the public'. Payments should not be conditional on results (although it should be noted that current thinking on ecosystems services favours an outcomes based approach). Farmers needed to be accountable, but not exposed to undue risk. Schemes needed monitoring so that farmers, government and the public got feedback. There could be benefits from regional targeting. There could be spatial targeting based on public preference or based on soil type. The WTO implications needed to be considered. For example, there are potential difficulties in providing an incentive element in the case of environmental payments under WTO rules.

UK farmers needed compensation for higher environmental standards. Landscape is cheaper to manage when it is productive. There needed to be a balance between production and environment. Should national parks have their own environmental polices? (Not everyone agreed with this suggestion). We needed to show progress towards sustainability. There needed to be counters to fluctuating conditions resulting from climate change such as the increased incidence of heavy rainfall and resultant flooding.

Support was needed to enable farmers to embrace new technologies.

Which policy instruments would you prioritise for more work – because they look like they will deliver maximum benefit, would be technically feasible and be attractive to government?

Seven areas were identified:

1. The redesign of agri-environmental schemes in relation to the principle of ecosystem services. There need to be an examination of the delivery of public goods, payment for public goods and payment for ecosystem services. The true value of environmental work needed to be considered and the future of rural development programmes. One issue that required review was linking payments to outcomes via more spatially targeted agri-environmental schemes. This could, however, give rise to considerable transaction costs.
2. The reform of land tenure and landlord and tenant legislation.
3. The availability of migrant labour, including full-time migrant labour.
4. Support payments for farmers, including direct payments.
5. A properly functioning market place.
6. The best ways of communicating the needs of farmers and providing them with ways of working which would help politicians outside the farming industry.
7. Encouraging new technologies and precision farming, research and development services.