

What does Brexit mean for our Farming industry?

By Phil Bennion, Liberal Democrats MEP for West Midlands

In our 2018 Rural Communities Policy Paper, the Liberal Democrats restated our commitment to a farming industry which has food production as its primary focus.

Although we agree that more needs to be done in rewarding farmers for delivering “public goods”, such as biodiversity and landscape, support for farming cannot be a success if it is restricted to such projects.

With a no-deal Brexit now a real possibility with Boris Johnson setting unrealistic red lines for a deal with the EU, our immediate concern for farmers is to keep open the European export markets for our sheep meat, beef and cereals.

Almost 40% of the lamb we produce is exported to the EU and the tariffs under no deal would render this trade non-viable. With our lambs coming to market in the Autumn, it is inevitable under a no deal Brexit that prices will crash catastrophically. This is just one of many reasons that we believe that our farming industry is best served by remaining in the EU and we will continue this fight until the last.

Many farmers voted Leave because of excessive regulation of agriculture and believed that we would be better off if we could scrap the paperwork and procedures necessary to claim support payments.

Unfortunately, our dependence on EU markets means that very little of this kind of ‘red tape’ would be abolished even if we do leave. It is also true that the UK Government has supported and ‘gold-plated’ many of the bureaucratic procedures and paperwork, often well in excess of legal requirements.

Our best approach to this problem is to elect representatives who will take a scientific approach to regulation and fight this at an EU level.

If the UK does leave the EU, then the draft Agriculture Bill instigated by Michael Gove will probably come into force. Liberal Democrats have opposed much of this Bill, particularly the complete phasing out of Basic Payments.

We do agree that more could be spent on enhancing habitats on our farms and combating climate change in the industry, but Mr Gove's proposals are contrary to WTO rules. In our own policy paper, we took the trouble to understand these rules, which limit spending on environmental schemes to their actual costs. Hence without Basic Payments, farm incomes cannot be propped up with environmental payments.

To make ends meet, farmers would have to farm far more acres per person, reducing their capacity to deliver even the current level of environmental goods.

There has been much discussion of the CAP and its tendency to reward the biggest farms with the largest payments. This is now politically impossible to defend. However, it is necessary to avoid unintended consequences in any redesign of a Basic Scheme. The Liberal Democrats would use a taper to claw back much of this money from the largest farms. This will free up money to spend on habitat and measures to address climate change and favour small to medium sized farms which can sustain an adequate farming population to deliver the public goods that the taxpayer desires.

This would also add to the current level of rural development funding that also supports training, diversification and measures to make our farms more competitive.

We would also support an expansion of farm woodland as an additional economic activity for farmers.

Woodland is an effective carbon sink which helps in the fight against climate change. Small areas of woodland spread across thousands of farms is a far more sustainable approach than the re-wilding advocated by some radical groups, which would leave these areas devoid of a functioning rural economy.

Similarly, we will reward farming techniques which increase soil organic matter for similar reasons. Alongside this we would invest in measures to improve farm productivity, as there is no point in reducing our own emissions from farming if we produce less and the additional food is imported from areas where rain forest is being destroyed for the purpose.

Finally, we would give real teeth to the Groceries Code Adjudicator to deliver farmers a greater share of the retail price of their output. We recognise that farmers are victims of market failures where they are weak sellers to a small number of large buyers.

This well rounded policy for farmers and our rural communities reflects the needs of farmers as well as the priorities of tax payers. Rather than risk the whole industry with an ideological approach that could ruin agriculture, we will go forward with well thought out programmes that farmers are happy to deliver.

If we can also stop Brexit, we can assure farmers of continued tariff-free export markets on our doorstep for the future.

Disclaimer: This blog is written in a personal capacity and does not necessarily reflect the views of Centre for Brexit Studies and Birmingham City University.