

# A View on Brexit

FROM THE PERSPECTIVE OF THE FARMING CONNECT  
WOMEN IN AGRICULTURE FORUMS

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**FARMING**  
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We are supporters of the Well-being of Future Generations (Wales) Act 2015 and our principles for post-Brexit policy align with the Well Being Goals:

A prosperous Wales.

A resilient Wales.

A healthier Wales.

A more equal Wales.

A Wales of cohesive communities.

A Wales of vibrant culture and thriving Welsh language.

A globally responsible Wales.

Women in Agriculture Forum Members



## **Preface**

This paper has been prepared as a result of the Farming Connect Women in Agriculture Forum and a further series of meetings held across Wales with groups of women in farming arranged via Agrisgôp. The task was to summarise those lengthy discussions into a summary paper which set out the views of women in farming on Brexit. Given the complexity of the issues involved it is difficult to do justice to the matters for discussion in such a short paper but it is hoped that this paper will act as a springboard for a meeting and discussions between the Cabinet Secretary and the groups of women involved so that the ideas presented can be developed further.

## **Context**

The impact of the UK's formal exit from the EU on farming businesses and rural communities is uncertain. The process of withdrawal is likely to conclude in March 2019 with a potential transitional period of adjustment to follow before all ties in terms of the UK's EU membership are severed. The UK continues as a Member State during the period of withdrawal and the existing rules continue to apply whilst we are bound by the principle of "sincere co-operation". But this is not a time to wait for Brexit to happen.

Farmers are accustomed to periods of uncertainty. They contend with the variability in the weather on a daily basis and price volatility has a direct impact on their business. The CAP works on a seven-year programming period, and each time the CAP is reformed the ensuing discussion and debate about its implementation can make it difficult to plan ahead for the future. Farmers are thus resigned to weather the uncertainty of policy changes. This transitional period is, however, somewhat different; it allows for a completely new book to be written, which is an exciting challenge that UK policy makers in this field must fulfil if the agricultural industry is to continue to thrive and the country is to maintain productive, viable and sustainable farming

## **The Importance of Welsh Agriculture**

Farming is important. The £200 million introduced to agriculture delivers £1B (5 x as much) to the rural economy. The public have a perception that it's only the farming industry that's been subsidised by public money – there are whole industries that are heavily subsidised. The money invested in supporting

agriculture goes way beyond the individual farms that receives it. They in turn support local communities and SME's such as agricultural suppliers, machinery sales and feed companies not to mention underpinning local rural communities and schools. Many of the SME businesses that rely on business from farms all wait until the beginning of December to start debt collecting as it is known that BPS is paid at that time. Further proof that many other businesses are indirectly supported by agricultural direct payments.

Farming is crucial to the rural economy not just 'important'. There are hundreds of rural enterprises that are dependent upon the success of farmers and farming.

The Cabinet Secretary should be acutely aware that Brexit is not simply a political exercise the effects of which will kick in two years hence but that farmers are currently buying stock and investing on farm NOW for a return on investment in two years' time. Steps need to be considered and put in place now to deal with market volatility in these unique circumstances because, for example without access to the single market at least 40 per cent of our export trade in lamb will disappear.

It is important that any new policy developed is based on sound evidence. Before we look to the future, we must consider today's position and evaluate the effectiveness of existing schemes, the nature of the industry in Wales and make decisions based on a clear understanding of where we are starting from. The Farm Business Survey provides an excellent starting point in that regard and is data which is already available. It shows that the profit figures for the average beef and sheep farmer in Wales is almost exactly equivalent to the BPS and Glastir income on that farm and that this has been a trend seen over the last 5 years and so not a recent phenomenon. These farmers will be severely hit by a reduction in direct support and rural development income. It is not a case in many instances that their farming systems can be amended to become more profitable although it is acknowledged that attention to input costs and business efficiencies will need to be looked at closely going forward. For some farmers other employment, which is in scarce supply in rural areas, will have to be sought or income support via the tax credits system from Government may be the only option of last resort for others. Furthermore, many are family farms with multiple generations often playing a part in the farming business adding to the rich diversity of our rural communities.

## **The Opportunity for Welsh Agricultural Policy**

Wales has an opportunity to lead the way in policy development and thinking in terms of the new British Agricultural Policy and resulting Welsh policy which will sit alongside. The Well-Being of Future Generations Act and The Environment Act are innovative and holistic in their approach. They allow new policies to consider our rural communities and environment as a whole and our agricultural industry has an integral part to play in achieving the future well-being of our rural areas.

We need a long-term strategy for agriculture in Wales developed taking consideration of Global Environmental Targets and the WTO Agreement on Agriculture. We need to have an eye on global policies and objectives and ensure that policies developed post-Brexit will satisfy long-term international commitments acknowledging the importance of this for trade.

### **Specific Considerations**

Our discussions have been summarized in to the following headings:

#### **1 Trade**

To make a profit farmers need to be able to trade. A 'hard' Brexit or no deal in term of continued access to the Single Market is the worst case scenario for farmers in Wales especially those in the livestock sector. If no deal is reached on exit, we fall to work under the World Trade Organisation Agreement on Agriculture with no non-EU Trade deals in place on exit, as the Treaty prevents us from negotiating formally such Free Trade Agreements until exit has taken place. That in-between period could be catastrophic for the industry. Farmers need to be assisted to understand the World Trade Organisation rules and the implications of tariffs on them so that they can start to make informed decisions about their businesses going forward, thus reducing uncertainty.

The work starts now in creating a Welsh farming industry that can meet the demands of a global market. Processing capabilities within Wales need to be established and developed so that we can ensure sustainable supply to meet domestic demand and beyond (with the added bonus of creating employment and developing skills within Wales). We have the three biggest abattoirs for lamb processing within the UK based in Wales and we need to capitalize on this. Dirty

animals are still going to slaughter – education needs to be provided to farmers on this (i.e. washing, trimming, and ensuring a good working relationship between farmer and processor). This issue has a direct link to shelf life and is essential to ensure we're able to compete with New Zealand lamb. We need to make sure that the levy on animals that go out of Wales is not lost to England.

We need to make sure that agriculture is not an after-thought in trade deals negotiated, and Welsh Government representatives need a strong voice and role on behalf of Welsh Agriculture in those trade negotiations which are anticipated to take place at an UK level. It is essential that products imported into the UK meet equivalent production standards to those produced here - examples of condensation in American abattoir buildings, chicken cleaned with chlorine. We should maintain our high standards of animal health and welfare and insist that others wishing to trade in our market do the same.

Farming must be fully represented at the negotiating table. Politicians must not, as they have done in the past, use agriculture as a bargaining tool to achieve better trade deals for other industries and in so doing turn a convenient blind eye to lower welfare and production standards in overseas countries.

Business structures that facilitate collaboration and relationships between consumer-facing business and the primary producer need to be encouraged e.g. co-operative models. Farmers are very much at the mercy of market prices, there aren't many other producers that never know what price to expect when they sell their produce. We should be more "French" in our attitude and demand a fair price. A forum member quoted a recent radio interview where a European Tomato producer said that he destroys 2 crops out of the 5 he grows every year on principle, as he refused to 'give them away'.

## **2 Education**

### **Adult Public**

A recent NFU poll has indicated a rise in appreciation of the role of farmers and farming. General support for Welsh/British farming is on the increase with 92% of 2000 adults polled saying it is important to the economy and 77% saying it has a beneficial impact on the environment. The public as a whole are extremely interested in what farmers do day-to-day and farmers need to be trained in how to communicate with the public effectively and get key messages across.

There has been a gap between 13-50 years old in terms of food and cookery education and this deficit needs to be plugged. Easy cooking recipes for adults who work full-time to be marketed with the farm produce at point of sale. Introduction of a Direct Debit way of buying meat so that the cost is spread and the farmer has certainty in terms of supply.

Food and shopping habits have changed over the last decade and the farming industry needs to respond to this change and be able to adapt their product to suit the market.

## **Children**

To ensure that as part of education policy and the curriculum in Wales, children are educated from a young age where, how and the benefits of good and secure food production. Encourage and enable school visits to farms, processing facilities and supermarkets to ensure the farm to fork concept is understood and experienced first-hand. Review of the health and safety policy to enable rather than prevent this taking place on local level. Farmers to have financial incentive to do this. Compulsory cookery lessons using 'native' ingredients should be re-introduced so that important life skills such as this are developed from an early age.

Within the industry – farmer education

- Helping farmers understand the figures that are out there, how the global market works, financial awareness in terms of input and output costs.
- Helping farmers to manage change. There are some within the industry that are “non-changers” continuing to farm in the same manner as their forefathers and resisting change.
- Increasing the confidence of farmers to try new approaches or techniques.
- Skills deficit needs to be addressed by training and utilisation of apprenticeship schemes to be promoted within the agriculture industry.
- Knowledge transfer in general and specifically in terms of diversification opportunities

Farmers need education not only about improving farming methods but also about the implications of political decisions upon their business i.e. GM foods, TB control.

Training and development could take many forms, but a strong emphasis on peer-to-peer learning, discussion groups, and mentoring it is believed will

achieve the best results.

### **3 Financial Support to Farmers**

It is felt that farmers are undervalued in the UK, yet are producers of some of the highest quality food in the world. The farming profession carries with it a lot of pressure, financial risk and intense labour – yet farmers are expected to do that role and then also diversify or undertake a second job on top to bring money in. For example, you would not ask a doctor to make jam and bake so that they could bring in extra income to live on!

More value should be placed on meat and food products by consumers and appreciation given of the care and time afforded to that animal during its life. For example, it is nonsensical that two pork chops may cost £2.70 in the supermarket, whilst a pint of beer is circa £3.80. Farmers would prefer to be rewarded for their work via the market place but the price paid for food does not ensure a fair standard of living as things currently stand. Farmers understand that there are other demands on Welsh Government budgets but feel that quality food production shouldn't have to compete with health and education, as it is all intrinsically linked especially when consider in the context of the future well-being objectives.

Certainly in the short-term farming without some form of direct support in Wales is impossible. Farmers need to be assured now that transitional support will be put in place post-Brexit at the very least until new Free Trade Deals are agreed upon and while they have to compete with countries in Europe and beyond who continue to subsidise their farmers.

Continued direct support must however be justified and this formed a significant part of discussions and a number of suggestions and ideas were put forward for consideration:

- Compulsory attendance on knowledge transfer courses, discussion groups, benchmarking groups, conferences
- Compulsory whole farm soil testing at regular intervals and annual silage sample testing.

- The support should be a basic allowance with capping on total amount available per holding
- Reward for higher welfare standards and protection
- Reward for higher environmental standards.
- Reward for protection and enhancement of rural landscapes in Wales
- Reward for enabling access for on-farm tourism and links to the wider tourist market.
- Reward for providing on farm education and visiting facilities
- Reward for producing for local market and local regional procurement.
- Reward for ensuring national food security. UK produces less than 60% food eaten and imports 30% from EU. We also only have 3-5 days reserve.
- Mandatory method of production labelling and a robust plan to reduce antibiotic dependence.
- Funding for research and development in prolonging shelf life of fresh produce and developing better frozen processing. (E.g. to compete with New Zealand frozen lamb). Enhanced payments for farmer-led research for resilience solutions and low input solutions to farms of all scales.
- Support for on-farm/local community slaughter and processing co-operatives. (E.g. travelling slaughter men/butchers). Potentially simplified procedures for on-farm slaughter and meat direct to public.
- Support for new entrants and young farmers' schemes, and agricultural workers scheme, a job creation scheme and a land access scheme.
- Support to be directed to those in occupation of the land and undertaking farming activities

Going forward, the agricultural industry is inevitably facing a period of change, and in preparation for this capital expenditure is required on farms to improve infrastructure, efficiencies of production, land management and maximizing the potential of grass growth, health and safety. Support to finance this crucial investment required within the industry is vital. For those who decide to leave the industry, or take a different role within the farming business advice and guidance is needed to plan for succession, understand the various models available and to empower those coming in to the industry be they new entrants or young farmers and further generations on family farms. Consideration in the longer term should also be given to creating tax incentives or pension credits for collaborative farming schemes which could provide financial incentives to encourage succession within the industry.

The vast list of rural amenities provided as by-products of agricultural production are endless; i.e. tourism opportunities, stunning views, and public amenity areas. Farmers, including those farming upland areas should not be farming for keeping the place looking pretty alone. That is a patronising viewpoint, as these farmers are often effective producers too. Farmers need to be free to make business decisions which suit their individual ambitions and objectives.

#### **4 Animal Health & Welfare**

It is essential that our high standards are maintained and there are challenges in terms of disease control, some of which require long-term strategies to be developed to tackle them. Diseases such as bTB and BVD require a UK wide eradication strategy rather than a regional one to ensure that the UK becomes bTB and BVD free as a whole at the earliest opportunity. A distinct Welsh approach which did not achieve that bTB free status in the same time frame could lead to market disadvantage for Welsh beef. We do not want any other country in the world to have an excuse to ban our produce under a Free Trade Deal on the basis that we are not able to provide parity in terms of our disease control measures.

We would seek support from Government to develop on-farm processes and systems to reduce spending on farm medicines and antibiotics to reduce reliance on them but also as a means to increase profitability within the farming business. It is suggested that a collaborative Government and industry Animal Health Framework is developed to make sure it is a working and viable tool to improve the national flock and herd health and not just increase levels of red tape.

#### **5 Cross-cutting themes**

- Planning policy - Links with planning policy to ensure farm planning looks at how to build sustainable and fit for purpose units. Combined planning policy for farm businesses in the National Park led by the local planning authority.
- Broadband – access to this should be a priority for a variety of reasons. To improve efficiencies of farm recording systems, data capture, access to

- financial and business tools and education, to adhere to VAT/PAYE/new real time TAX reporting and development of diversified rural businesses.
- Rural communities are not just about farming, but are a complex matrix of a variety of businesses, diversified farm businesses, schools, community halls, village shops, chapels and churches. The social and the business aspects of our rural communities are intertwined and interdependent on each other for support and these are relationships that must be maintained and protected.
  - Welsh Language – The Welsh Government has set an ambitious target in relation to Welsh speakers within Wales by 2020 and our rural communities will play an important role in the achievement of that target.
  - Health – Mental health and concern that this will deteriorate within the farming population was a constant theme in the Forum’s discussions. Farming is already one of the top five industries for suicide. Support is available through organisations such as Tir Dewi and RABI but it is felt that the impact of Brexit requires more funding to provide such support to be available during the uncertain period ahead. Individuals within the industry are naturally isolated due to the location of their farms and day-to-day work and may not always have the communication skills to open up about their concerns to others. Livestock markets have a crucial role to play here and should be utilized as a vehicle to get support and information to farmers.

## **6 Marketing/Brands**

Amongst the forum members, there was involvement in Agricultural Shows from grass root level local shows up to the Royal Welsh Show. Many members are on the boards of different shows and they all agreed that it was an excellent shop window for the best of the nation’s livestock and food produce. These shows should be utilised more as an educational resource and lessons learnt from Aled Jones Assistant Chief Exec of RWAS Nuffield paper on the educational value of Agricultural shows – “The role of agricultural societies and shows in promoting, developing and innovating the agricultural industry”.

The legislation post-Brexit on labelling and branding needs to be scrutinized carefully and legislation should be implemented that prevents the use of ‘Fake Brands’. One clear label to demarcate provenance and quality within Wales/UK should be decided upon and that label should be applied to all agricultural

products produced in the UK. Once that is established it should be marketed widely with Government backed marketing campaigns to ensure that it is known by all as a mark of excellence. Peter Jones recently confessed on Dragons Den that he did not know what the Red Tractor label was or stood for. This is unacceptable.

The Brand of Wales should be developed across all sectors not just agriculture. A holistic approach to branding and marketing across tourism, farm produce, and all manner of rural businesses is key. For example use the theme of Legends of Wales. The recent marketing campaign for the Euro Welsh football team is a good example of what innovative marketing can achieve. Other countries have also developed this approach e.g. Ireland, Australia, New Zealand.

The assistance of Government to give access to farmers to marketing mentors and facilitate conversations which lead to new markets domestically and globally is seen as a key role for Government going forward.

## **7 Legislation – red tape**

Most of the public have no idea of the administration involved in securing animal health and traceability of produce that enters the food chain. One forum member gave the example of visiting hospital to have a steroid injection in her knee, the doctor administered the injection and disposed of the syringe. She asked him if he was going to note somewhere the batch number of the product, what the dosage was, who received the treatment, who administered it and how much was left remaining in the bottle. He said he wasn't. She said that she would have to record all of those details if she had administered an injection to a sheep under her care.

- It is understood that all of the EU legislation will be implemented in UK via the Great Repeal Bill but over the next 10-15 years we need to rationalise the legislation and red tape requirements e.g. completing movements on EID and BCMS as well as having to record separately on farm. This process could easily be simplified.
- Inspections – make the incidence of inspection proportional to risk. If farmers are part of a Farm Assurance scheme then they are inspected – farmers fund these by membership – could these be authorised to save having to have a government inspection as well? These schemes could set the minimum standards across the industry. A Government audit of the

- Farm Assurance accreditation body could act as a check on the system.  
One inspection to cover all issues to be checked.
- Tagging of animals – consider alternatives such as chipping which may be more accurate and effective.
  - Reconsider the fallen stock regime and return to on-farm burial/incineration.
  - Reconsider slaughter regulations and ability to re-establish smaller abattoirs/reduce slaughter costs within abattoirs.
  - Enforcement – no need to be as onerous as before because not subject to European auditors. Highlight issues, give farmers time to correct their practices under supervision.
  - Outcomes focused regulation would be a more proportionate and cost-effective way to ensure adherence to legal mechanisms.

Government must acknowledge that the communication received by farmers from them can have an emotional impact due to lack of clarity or tone. More consistency in the provision of advice by Government officers being mindful of the aim of the policing of compliance through advice, guidance and encouragement as opposed to penalties. Increased transparency within Government by creating a public database of individuals within each department and the process by which policy is formulated would assist together with the creation of a cross-departmental national food and farming policy.

## **8 Recommendations**

**The Future Generations and Well-being objectives and requirements should be met further to the new agricultural policy. It is to be hoped that creating a sustainable agricultural policy going forward will result in policymakers focusing the early discussions on what objectives the UK's new policy should have for a long-term viable agricultural industry in the UK.**

**Closer working relationship and improved communication between the industry and Government.**

**Farming should be recognised as a business by Government in its policy implementation e.g. every farm should have immediate access to FTTP**

**To utilise existing accreditation schemes such as Farm Assurance and equivalent schemes as the mechanism for achieving minimum standards of animal health and welfare, environmental standards etc.**

**In any Free Trade Deals, there should be insistence on the standards of imports of food and drink in to the UK being equivalent to the standards of production that we have in accordance with WTO rules.**

**Continued direct support for farmers to ensure that farmers are not displaced, landscapes suffer and land abandonment caused. Continuing support to Welsh farms should be on the grounds of 'services' that these units provide to the rural community and beyond**

**A marketing strategy should be adopted to improve the public's perception of farming in Wales and the UK, to increase market opportunities for our agricultural produce within the UK.**

**A collaborative approach between Government and the farming industry is required. We should stick together as an industry.**

**A rationalisation of the red tape and administrative burden on farming businesses needs to be undertaken as a priority post-Brexit.**

**An integrated education and training policy should be developed targeted at the adults and children within the wider public and knowledge transfer and education for farmers within the agricultural industry.**