

Referendum – What if?

As Donald Trump starts his fourth US presidency and the Labour-SNP coalition is mid-way through their third term, the newly appointed Minister for Food, Nichola Vegan, is visiting farmers to assess if UK farming can provide sufficient food for a population swollen to 75 million after most British nationals returned from Europe no longer welcome in the countries they had made their homes.

Arriving at the last dairy farm in Sussex, owner Bill is looking forward to meeting the minister. “How do you manage to feed 10,000 dairy cows from 750 owned acres?” the minister enquires, not really understanding what an acre is. After a deep breath Bill replies: “It’s a constant headache. After EE day nothing changed at first, the livestock and arable sectors carried on reassured by the continued financial support promised by the previous government. But soon we were told more money was needed for social housing. Then the now means-tested subsidies became harder to get.”

Nichola listened carefully. On the one hand she was sympathetic. She understood the serious impact the staged reduction of funds was having, but on the other hand she couldn’t quite understand why an industry producing a product that everyone wanted should need financial support.

“Over the last five years the



landscape has changed considerably. Most commercial livestock enterprises have gone. They simply couldn’t produce milk, beef and lamb at the prices our heavily supported European neighbours are able to supply at. Even weaker exchange rates and import tariffs are not enough to make home produced dairy and meat products competitive. And we cannot blame the two main supermarkets stocking cheaper imported food, Lidl and Tesburys are under pressure too.”

As the Minister was shown around the farm she asked “Hasn’t the reduction in livestock numbers made it easier to find land to feed your cows?” Bill explained that a new type of farming had emerged. Cereal producers had benefitted as landowners could no longer expect high rents underwritten by subsidy. And as the subsidies reduced very large arable operations had chosen to ignore them altogether enabling land to be managed without interference. “This has meant that any land capable of cultivation is growing wheat, just leaving pockets of poorer land for us to use.”

An hour later, Nichola arrived

at Manor Farm where John was proud to present his 75,000 tonne grain store. “We have increased to 25,000 acres over the last five years and have cut our costs dramatically.” Excited, she learned that previous management requirements such as ecological focus areas and stewardship options had been abandoned. “To be competitive we must do as little as possible, we only cut hedges next to the road. Any operation which adds cost for no gain is axed.”

The minister assumed this strategy must be working, the grain store alone must have cost millions. So when John responded “You must be joking” to her quip “All is well then?” she looked for explanation. “We simply don’t work on a level playing field. Our production costs are down but not enough to equal our neighbours’ subsidies and the import tariffs. Together they are worth £30 to £40/tonne. And that is before we recognise that most of our export customers prefer to buy from other EU members to protect their own trade agreements. To sell our grain, our customers now expect trade incentives as well as rock bottom

prices.”

As the Minister returned to London, looking forward to her Quorn burger, she reflected and quickly concluded that the UK would not run out of food. If Bill stopped milking then plenty of cheap Irish and Dutch milk is available and as for John and his like they would continue to produce more grain than the domestic market needed, almost irrespective of the price. The housing development cash which built the grain store would fund machinery purchases and farming losses in lean years. As she dozed in the back of her chauffeur driven Mercedes she worried, just a bit. What happens if the food shelves do start to look bare? But her fears were quickly comforted by the weathered civil servant riding with her, “If we need to I am sure we can negotiate much closer trade arrangements with our neighbours, we have done it before!” he said.



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