

# THE ONLY B WORD THAT MATTERS RIGHT NOW IS 'BEGIN'

## "We're not going to mention the B word."

Whether it's referring to Brexit or Boris, that has been a common refrain at the start of most of the events we've been involved with or attending over the last few weeks.

From the CLA's 'Getting to Grips with Grapes' seminars to a talk on policing at the South of England Show, no one wants to discuss the B word. Brexit appears to have become white noise for most and Boris elicits extremes of opinion from either pole of the voting populous.

There is, however, consensus around one point when it comes to the B words as far as farming is concerned – and that is that whether this whole tortuous process ends with us 'In or Out' we are going to see dramatic changes and some of those will be painful. Perhaps a more helpful B word at this stage is 'begin', because waiting for Brexit or indeed Boris is not an option.

## POSITIVE ACTION

'Begin' is a positive action and is to be encouraged. A three-year budget and cashflow is a cumbersome beast, but forward-thinking businesses have been putting them together. As the situation currently stands, they show it is in 2021 when the pain will really start to be felt.

If you are a Europe news watcher, you'll be all too aware that with or without Michael Gove's Agriculture Bill, agricultural support is in the spotlight and is set to become a scarce commodity.

In a June 2018 legal proposal, the EU Commission highlighted how the skewed distribution of direct payments needed to be addressed. The proposal announced a cap of

€100,000 on direct payments with degressivity between €60,000 and €100,000 (this was already a step back from a leaked version of the draft proposal in April 2018 where an absolute cap at €60,000 had been suggested, an indication of the political opposition that was to come). Nothing new there. That particular threat has been bandied about on numerous occasions.

We don't need to look far beyond our own boundaries to see that it's not just in the UK where calls for capping have been loud, either. The Czech billionaire prime minister Andrej Babiš, a businessman who made his money in the petrochemicals industry but whose company Agrofert now farms 57,000 hectares of arable land, reportedly collected €14 million in CAP subsidies in 2017.

Elsewhere, I read about "late payments and a dreadful IT management tool". Sound familiar? This was an article about how the decentralisation of EU funds has led to serious malfunctions in France, according to a report by the French Court of Auditors.

## YOUR BUSINESS NEEDS A PLAN

With CAP reform inevitable, regardless of the timing of the Brexit decision, the key point is not to try to make sense (who can?) of Brexit (or indeed Boris), but to remember that whichever side of Brexit UK agriculture ends up residing, your business needs a plan. As the old saying goes: 'Fail to plan and you plan to fail'.

This plan needs to deal with a much reduced or even non-existent basic payment and already the more forward-thinking farms and estates are

conceiving and instigating such plans – herds are being reduced or disbursed, marginal contract farming acreages are being given up, and businesses are evolving and changing for the future.

The difficulty is, of course, how you can have a Plan B when it's hard enough to have a plan A.

## PROVIDE CLARITY

As I write, the NFU has just called on government to provide clarity over the rules governing BPS 2020, due to "confusion and uncertainty" over how the Brexit delay will impact government plans to alter the system.

With farmers deciding on their plans for next year, including their cropping for harvest 2020, they need certainty over the requirements of BPS 2020 if they are to make informed decisions, points out the NFU.

Finally, might we even need a Plan C? The Sunday Telegraph recently reported that the Labour Party's 'Land for the Many' report proposes replacing inheritance tax with a 'lifetime gift tax'. The tax could apply to property or cash given to individuals during the course of their lives above a lifetime allowance of £125,000. The report claims it would help "the better sharing out" of "unearned windfalls".

At this rate, Plan C might need to be further-reaching than Plan B and somewhat more defensive.

**MARK WEAVER**  
Managing director, CLM  
T: 01892 770339  
[www.c-l-m.co.uk](http://www.c-l-m.co.uk)



- Basic Payment Scheme
- Farm and Estate Management
- Farm Business Consultancy
- Rent Reviews
- Countryside Stewardship
- Ecological Surveys



Call us on **01892 770339** or email [info@c-l-m.co.uk](mailto:info@c-l-m.co.uk)  
[www.c-l-m.co.uk](http://www.c-l-m.co.uk)