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Brexit: The Implications for Agriculture and Food

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Introduction

After Britain leaves the EU it will no longer apply the Common Agricultural Policy (CAP). For agriculture, like fisheries, the UK will need to re-invent a national policy, both for domestic agriculture and for trade in agricultural products, which in turn has implications for the supply and price of food for British consumers.¹ This paper examines the prospects and the options for forming such a policy.

The Common Agricultural Policy

The challenges involved in making a new British policy for agriculture and food after 45 years of EU membership are considerable. The CAP has a greater degree of regulatory harmonisation, common financing and economic integration than any other area of EU activity, and the EU institutions have a big role in collective decision-making. Since agriculture is less important in the British economy than in most other member states, and British farms are generally larger in size, the UK has received less benefit than other members from CAP policies designed to support market prices and farmers' incomes. In Britain, agricultural policy has often been perceived as the most negative aspect of EU membership, both from a general economic point of view (transfer of resources to inefficient producers) and financially (for many years agriculture took by far the largest share of the EU budget). The high level of EU expenditure on agriculture, combined with Britain's limited receipts, was the main justification for the UK's rebate from the EU budget.

But over 45 years the CAP has changed considerably, often as a result of British pressure. The wine lakes and butter mountains have disappeared, World Trade Organisation rules limiting agricultural subsidies have been introduced, and rural development and environmental protection are now aims of the CAP. Most of the world's developed countries (including the USA) have systems of agricultural support and subsidies. So did the UK before joining the European Community and although Brexit offers the chance to make new rules appropriate for Britain's situation and needs, it is unlikely to lead to a complete dismantling of agricultural support.

¹ On fisheries, see Senior European Experts, *Brexit: The Implications for the Fishing Industry*, 7 October 2016

British agriculture

The following table gives some basic facts on British agriculture and food:

Agriculture in the economy	
Share of gross value added	0.6%
Share of workforce	1.5%
Number of persons employed	476,000
Number of farms	212,000
Number of large farms (more than 100 hectares)	41,000
Food and drink industry	
Number of firms	7,000
Number of persons employed	400,000
Trade in agriculture and food	
Self-sufficiency of UK in home-grown food	75%
Imports from the EU	70% of British food imports
Exports to the EU	60% of British food exports
Top export markets	Ireland, France, USA, Netherlands, Germany
Common Agriculture Policy direct payments (total allocation 2014-2020)	
England	€16,421 million
Scotland	€4,096 million
Wales	€2,245 million
Northern Ireland	€2,299 million

Source: DEFRA, *British food and farming at a glance*, March 2016

The UK produces about three-quarters of the home-grown food that it consumes. About 70 per cent of its food imports come from the EU and 60 per cent of its food exports go to the EU. Although agriculture accounts for only 0.6 per cent of Britain's economic product (gross value added) and 1.5 per cent of its workforce (476,000 people on 212,000 farms, of which some 41,000 exceed 100 hectares) about three-quarters of Britain's land area is farmed, and agriculture has a major impact on the environment and the rural economy. It supplies the food and drink industry, a major manufacturing sector in the UK, which has 7,000 companies employing about 400,000 people.² Under the devolution settlement, domestic agricultural policy is fully devolved to Scotland, Wales and Northern Ireland.

A new national policy

In view of Brexit, the UK will need to develop a new national policy for agriculture that suits its situation and its social and economic needs. The choices to be made are not simple or

² HM Government, *British food and farming at a glance*, 21 March 2016; food and drink manufacturing contributes £26.9 billion (gross value added) to the British economy, more than car and aerospace manufacturing combined

uncontroversial, and they will not be free from external constraints. They involve questions relating to:

- the mechanisms of support for British farmers;
- the level of public expenditure on agriculture;
- the protection afforded to British producers against imports of agricultural products, and the charges faced by British agricultural exports; and
- the balance between food production and the environment.

These factors are interrelated: for example, a reduction in import protection may affect market prices for farmers, and this in turn can lead to demands for more farm support.³ At present British farmers depend on CAP payments for 55 per cent of their incomes.⁴ Under the CAP they received £2.4 billion in 'direct payments' (in 2015) and had access to £4 billion available for 'rural development' in the UK (for the period 2014-20).⁵ The Government has announced that it will guarantee the current level of agricultural funding until 2020, but decisions on future arrangements will need to be taken well before then.⁶

Before future policies for agriculture and food can be developed in a rational way, their broad aims will need to be formulated. How to reconcile objectives relating to food security, food safety, food prices, farm incomes, rural development, nature conservation, the environment, agricultural imports and exports? Will England, Wales, Scotland and Northern Ireland choose to develop policy in tandem or will they pursue their own paths?⁷

The Government has not yet given any coherent indication of its plans. The Ministers responsible are Andrea Leadsom (Secretary of State for Environment, Food and Rural Affairs) and George Eustice (Minister of State for Agriculture and Fisheries), who were both active supporters of the Leave campaign. In the Annex is a selection of policy statements made by them before and since the referendum.

Domestic agricultural policy

This paper focuses on the questions pertinent to the UK's negotiations on future relations with the EU-27 and other international partners – that is, questions mainly in the field of trade. It does not attempt to offer a comprehensive blue-print for Britain's domestic policy for agriculture and food. That debate has only just begun, with farmers' representatives demanding that existing levels of agricultural support be maintained, with a 'level playing field' in competition with agricultural producers elsewhere, and that EU workers should continue to be employed on British farms, particularly for seasonal work.⁸ Meanwhile other interest groups are demanding that subsidies paid to farmers should be linked more closely to the protection of the environment, and that support for larger and more efficient farmers should be reduced.⁹

³ Martin Haworth, 'The Case for British Agriculture' in Martyn Bond & John Drew (eds.), *The UK & Europe: Costs, Benefits, Options* (London: Regent's University, 2015), pp. 54-56)

⁴ 'What would Brexit mean for farmers and the Common Agricultural Policy?', Emily Gosden & Marion Dakers, *Daily Telegraph*, 20 June 2016

⁵ *Ibid.*

⁶ HM Government, 'Chancellor Philip Hammond guarantees EU funding beyond date UK leaves the EU', 13 August 2016

⁷ On Brexit and devolution, see Senior European Experts, *Brexit and the Devolved Administrations*, October 2016

⁸ See, e.g., Agriculture and Horticulture Development Board, *Horizon: The impact of Brexit on the UK agricultural workforce*, 20 September 2016

⁹ 'Post-Brexit farming subsidies must protect nature, 84 groups say', Fiona Harvey, *The Guardian*, 14 July 2016; see also 'Tory MPs call for shift in farming subsidies to green protections', Damian Carrington, *The Guardian*, 5 September 2016

These differing and sometimes contradictory priorities, linked to the question of the level of import protection, form the background for a vigorous political debate in the coming years.

Although many farmers voted for Remain in order to safeguard existing support arrangements, a significant minority of farmers was in favour of Leave, some on the grounds that freedom from EU regulations would encourage competition and make British agriculture more efficient.¹⁰ Some point to the example of New Zealand, which in the 1980s liberalised its agricultural policy and removed all subsidies: this led to an upheaval but also to innovation in agriculture, with production doubling in the next decade as wine and dairy production became more competitive.¹¹ But it is unlikely that such a radical change in policy would be acceptable in densely populated Britain.¹²

Some supporters of Leave have pointed to the examples of Switzerland and Norway, which give higher support to their farmers than the CAP. But one may be sceptical that the UK – which has consistently pressed for CAP subsidies to be reduced – would offer higher support to farmers.¹³ A research paper of the House of Commons Library, for example, concluded that leaving “would probably reduce farm incomes [...] the UK Government and devolved administrations would be unlikely to match the current levels of subsidy and/or would require more ‘public goods’ in return for support, e.g. in environmental protection [...]”¹⁴

Meanwhile it should not be forgotten that, even outside the EU, Britain will be subject to international rules governing domestic farm subsidies. The Agriculture Agreement of the World Trade Organisation (WTO) requires agricultural subsidies to be classified into ‘boxes’, depending on their effects on production and trade, and limits the amount of expenditure within the boxes.¹⁵ At present, Britain’s agricultural rights in the WTO are subsumed under the rights negotiated by the EU in relation to the CAP. Independently of a bilateral negotiation with the EU on agriculture, Britain will need to conduct a multilateral negotiation in the WTO to establish its post-Brexit rights in relation to domestic subsidies. In this exercise, the attitude of agricultural exporters such as the USA and the EU is likely to be restrictive.¹⁶

Agricultural trade policy

The consequences of Brexit for Britain’s trade with the EU-27 will be more significant for British farmers than for their European counterparts. The rest of the EU accounts for 62 per cent of UK exports and 70 per cent of UK imports of agriculture and food products. On the other hand, the UK takes only eight per cent of the agriculture and food exports of other EU members, and supplies only three per cent of their imports. Thus, although the UK is a significant market for the EU for agriculture and food, the UK is more dependent on EU markets than the EU is on the UK.¹⁷

For some countries and some products, the EU’s trade links with the UK are particularly important. Britain is a big market for wine from France, Italy and Spain; for olive oil from Spain and Italy; for

¹⁰ ‘Exclusive: Survey reveals 58% of farmers back EU exit’, Philip Clarke, *Farmers Weekly*, 29 April 2016

¹¹ ‘Brexit: Lessons the UK could learn from nimble New Zealand’, Peter Spence, *Daily Telegraph*, 9 March 2016

¹² Ian Hodge, ‘Brexit: the agricultural issues’, *The UK in a Changing Europe*, 16 May 2016

¹³ ‘EU in or out vote: The answers needed for farming’, Lucia Zitti, *Farmers Weekly*, 9 October 2015; Emily Gosden & Marion Dakers, *supra* n. 4

¹⁴ Vaughne Miller (ed.), *Brexit: impact across policy areas*, House of Commons Library Briefing 16/7213, 26 August 2016, p. 55

¹⁵ World Trade Organization, ‘Agriculture: fairer markets for farmers’, 29 November 2016; World Trade Organization, ‘Domestic support: Amber, Blue and Green Boxes’, 9 April 2016

¹⁶ Lars Brink, ‘UK Brexit and WTO farm support limits’, CAP Reform.eu, 13 July 2016

¹⁷ Alan Matthews, ‘Agricultural implications of British EU withdrawal for rest of the EU’, CAP Reform.eu, 21 January 2015

fruit and vegetables from Spain, France and the Netherlands; etc. Conversely, the most important export market for British mutton and lamb is France, and for beef the Netherlands and Ireland.¹⁸

Ireland is particularly dependent on agricultural trade with the UK: it imports 61 per cent of its intra-EU imports from the UK (53 per cent of its total agriculture and food products imports), while the UK takes 59 per cent of Ireland's agriculture and food exports to the EU (44 per cent of its total agriculture and food exports).¹⁹ Coupled with the fact that Ireland is the only EU state that has a land border with the UK, this means that the Irish dimension will be particularly prominent in Britain's agricultural trade arrangements with the EU.

The question of agricultural trade with the EU after Brexit is directly linked to the question of Britain's policy for agricultural imports from the rest of the world. Before Britain joined the European Community in 1973, its level of agricultural import protection was low, with a preference for products from the British Commonwealth. However, it should not be forgotten that the Conservative Government elected in 1970 introduced a policy of 'minimum import prices' for agriculture, already in advance of Community membership, in order to limit the cost to the Treasury of the traditional British system of 'deficiency payments' to farmers.²⁰

We do not know what policy the present Government may adopt. During the EU referendum, the Leave campaign relied on the arguments of economic experts such as Patrick Minford and Gerard Lyons who claimed that Brexit would lead to lower food prices as a result of freer trade in agriculture.²¹ Since the referendum the *Daily Express*, for example, has continued to pursue this line of argument with front-page headlines to match.²² It cited a report by the Institute of Economic Affairs saying that Brexit would let the UK avoid the EU's "costly agricultural regulations" and "quitting the EU would make it easier for Britain to buy food from all around the world and bring down our prices more".²³ But it is not likely that the British Government will apply these 'free trade' ideas. The most probable outcome is a continuation of import protection at approximately the same levels as at present under the CAP, with some possible exceptions, for example, in the case of sugar.

Meanwhile, in the short and medium term, food prices in the UK are increasing as the effect of sterling's depreciation since the referendum in June 2016 works its way through the distributive chain.²⁴

In examining the possible options for Britain's agricultural trade with the EU-27, we need to consider first the wider question whether the UK would remain within the EU's customs union, which would mean applying the same tariffs and charges as the EU on imports from the rest of the world. It should be remembered that Norway and other European Free Trade

¹⁸ See Food and Agriculture Organisation of the United Nations, *FAO Statistical Yearbook 2014: Europe and Central Asia food and agriculture*, 6 May 2014; Wine and Spirit Trade Association, *WSTA Market Overview: London Wine Fair 2015 Edition*, 21 May 2015

¹⁹ Alan Matthews, *supra* n. 17

²⁰ Giuseppe La Barca, *International Trade in the 1970s: the US, the EC and the Growing Pressure of Protectionism* (London: Bloomsbury, 2013), pp. 12-13; Michael Winter, *Rural Politics: Policies for Agriculture, Forestry and the Environment* (London: Routledge, 1996), pp. 114, 122

²¹ See, e.g., Ryan Bourne, *Let's hear the positive economic case for Brexit*, Institute of Economic Affairs, 29 April 2016

²² 'Cheaper food AFTER EU exit: Consumer boost as experts now say that prices will come DOWN', John Ingham, *Daily Express*, 18 October 2016

²³ *Ibid.*; Séan Rickard, *Ploughing the Wrong Furrow: The costs of agricultural exceptionalism and the precautionary principle*, Institute of Economic Affairs Discussion Paper No. 75, 18 October 2016

²⁴ 'Weak pound 'could raise supermarket prices'', *BBC News*, 28 June 2016; 'Warnings over rising food prices as UK inflation hits near two-year high of 1%', Phillip Inman, Sarah Butler & Larry Elliott, *The Guardian*, 18 October 2016; 'Cost of British grocery brands to rise due to fall in value of sterling', Sarah Butler, *The Guardian*, 8 November 2016

Association members of the European Economic Area do not apply the CAP and are not in the EU's customs union.

If the UK is not in the customs union, an important consequence follows: customs controls will apply at its borders with the EU, not only at its land frontier in Ireland but also on cross-Channel routes to France and other EU states. Although simplified procedures may be agreed, British exports to the EU, and EU exports to Britain, would be subject to paperwork not presently required, which will add to the transaction costs of agricultural trade in both directions. Checks on the origin of traded products, which would be required under any trade agreement with the EU, would add further costs.

Moving on from this, we can consider two basic options:

1. A bilateral trade agreement with the EU covering agricultural products; and
2. Trade with the EU on the basis of WTO rules, without such an agreement.

Option 1: Trade agreement with the EU

The UK could try to negotiate with the EU a free trade agreement under which tariffs would be fully liberalised for all agricultural products; the UK is hardly motivated to apply charges to food imports, and the level of British agricultural exports to the EU appears to pose little threat to EU producers. However, one cannot be sure that the EU would accept full liberalisation: although the EU-Canada Agreement provides free trade for most agricultural products, access for some sensitive products such as beef and cheese is limited to preferential quotas,²⁵ and in the final stage of ratification of the Agreement we saw how rural areas such as Belgium's Wallonia may be concerned about agricultural imports.²⁶ On the British side, some farmers fear that, in overall trade negotiations with the EU, the interests of British agriculture may be 'sacrificed' by the Government to the interests of other sectors, such as financial services or automobiles.²⁷

In the scenario of an agreement with the EU on free trade in agricultural products, whether of a comprehensive or limited nature, the following issues are likely to arise:

- a demand by the EU that UK agricultural trade with third countries should not disturb the European market by lowering British prices;
- a wish on both sides to avoid distortion of competition through changes in domestic agricultural subsidies, either in the EU or in the UK; and
- the risk that regulatory divergence, such as a relaxation of British rules on pesticides or genetically modified crops, could have a similar effect.

To agree mutually satisfactory provisions on these matters, with regulatory supervision and dispute-settlement procedures, would not be easy.

²⁵ European Commission, 'Comprehensive Economic and Trade Agreement (CETA)', 11 November 2016

²⁶ 'Ceta: Belgian state rejects controversial EU-Canada trade deal', Shehab Khan, *The Independent*, 15 October 2016; 'How Dairy Farmers in Belgium Held Up a Big E.U. Trade Deal', Milan Schreuer, *New York Times*, 28 October 2016

²⁷ 'Leadsom warned over Brexit consequences for farming', Johann Tasker, *Farmers Weekly*, 4 October 2016; 'Walking into the unknown: rural England weighs up the reality of Brexit', Steven Morris, *The Guardian*, 8 October 2016; 'Scottish farmers split over Brexit possibilities', Mure Dickie, *Financial Times*, 30 October 2016

Option 2: Trade under WTO rules

The alternative scenario, under which agricultural trade with the EU would take place on the basis of WTO rules, without a bilateral agreement, would pose serious problems for British agriculture. The rest of the EU presently accounts for 62 per cent of UK agricultural exports. Some of the charges applied by the EU to agricultural imports under WTO rules are high, particularly for lamb, beef and dairy products.²⁸ EU tariffs for all goods are 5.3 per cent on average, but for agricultural products they average 12.2 per cent.²⁹ Amongst the highest tariffs that the EU imposes on imports are 17.7 per cent for meat and 42.1 per cent for dairy products.³⁰

Under WTO rules the UK could impose non-tariff restrictions on agricultural imports only on grounds of food safety, not for environmental reasons or because of lower animal welfare standards. It would be free to apply tariffs, subject to WTO approval. If it did so at current (EU) levels, applying them newly to imports from the EU (as it must under WTO rules), this would result in consumer price rises.

In both the above scenarios, British producers wishing to export agricultural produce to the EU would have to continue to meet all EU regulations, standards and labelling for such exports. For meat and livestock, EU hygiene rules are particularly demanding: this would mean that British slaughterhouses would have to be inspected and it is possible that British exports would have to go through Border Inspection Posts.

In general, unless the UK decided to maintain the same EU standards, British producers would need to decide whether to apply EU standards to all their production, or to work with different standards and labelling for home markets and for exports. In cases such as fresh produce, differentiation is costly, so processors often apply the highest standards for all their throughput. It should be noted that Norway and Switzerland apply EU product standards and regulations to *all* their domestic agricultural production, despite not having free trade for these products with the EU.

Regional implications

Agriculture (though not agricultural trade) is among the policies wholly devolved to the Scottish, Welsh, and Northern Irish administrations. So the challenge is not simply to develop a new national policy, but four new policies for the four nations of the UK.

Agricultural structures and conditions in Scotland, Wales and Northern Ireland differ from those in England, and the priorities of the four nations are different, so it will be a big challenge to ensure coherence and avoid distortion of markets for agriculture and food within the UK. There will be difficulties over the relative share of public expenditure for agricultural support, as the allocations to the devolved countries are more favourable under the CAP than under the Barnett formula;³¹ Scotland already disputes the regional share-out of EU funds for rural development.³²

²⁸ Agriculture and Horticulture Development Board, *supra* n. 8, p. 41; see also Siemen van Berkum *et al.*, *Implications of a UK exit from the EU for British agriculture*, National Farmers' Union, 5 April 2016

²⁹ House of Commons Northern Ireland Affairs Committee, *First Report of Session 2016-17: Northern Ireland and the EU referendum*, HC 48, 26 May 2016, p. 21

³⁰ *Ibid.*, pp. 11, 21

³¹ The Barnett formula determines changes in the level of public spending in Scotland, Wales and Northern Ireland according to the population of each nation

³² 'Scottish farms face losing millions in subsidy after Brexit', Severin Carrell, *The Guardian*, 28 July 2016

Future UK policy on agricultural trade may also lead to regional complications. The British beef market will be attractive for the United States and South American countries, but the impact of granting access to the beef market would be felt mostly in the North and West of the UK.

The prospect for agriculture in Northern Ireland will be particularly difficult because of its border with the Irish Republic and the amount of agricultural trade that currently crosses that border. Although the British Government is exploring with the Irish Government the possibility of simplified controls for goods passing by road – for example, by equipping lorries with electronic tags – it will be very difficult to control effectively the passage of live animals or other agricultural products across 500 kilometres of largely unmarked border. Moreover, if trade between the South and the North were to take place on the basis of WTO rules, with high tariffs applied on many animal products, this would be damaging for farmers in Northern Ireland, and the problem of fraud would be almost insuperable.³³

Conclusion

Outside the EU, Britain would need to introduce a new national policy for agriculture and food in place of the Common Agricultural Policy. Developing a new agricultural policy requires determining (among other things) a choice between the priorities of agriculture and the environment, the mechanisms of support for farmers, the level of public expenditure, and trade policy for agriculture (tariffs charged on imports, tariffs faced by exports). These factors are interrelated, and solutions will be complicated since agricultural policy (though not trade) is fully devolved to the four nations of the UK.

So far, the Government has given no clear indication of future policy, either for domestic agricultural arrangements or for external trade. Although the Leave campaign used the argument that food prices would be reduced because the UK would introduce free trade for agriculture with the rest of the world, this seems unlikely. At present British farmers are dependent on EU subsidies for 55 per cent of their incomes; the Government has promised to guarantee the current level of agricultural funding until 2020, and subsequently it will not want to face demands for further compensation for farm losses due to lower prices. In the absence of a new trade agreement with the EU, the UK would operate under WTO rules. If it took on the existing EU tariff rates (as would be likely), this would increase the cost of imports to the U.K. and result in higher food prices. This would be in addition to price increases resulting from the fall in sterling since the vote to leave.

The British food industry is heavily dependent on exports to the rest of the EU, which accounts for 62 per cent of UK agriculture and food products exports. Since EU external tariffs on some products, particularly meat and dairy, are high, the optimal solution would be a bilateral agreement for free trade between the UK and the EU in all or most agriculture and food products. But this could be accompanied by a concern on the EU side that UK agricultural trade with third countries should not disturb European markets by lowering British prices. Both sides would wish to avoid distortion of competition through changes in domestic agricultural subsidies, and this could require regulatory supervision and dispute-settlement procedures. Similar questions would arise over the question of regulatory divergence, such as a relaxation of British rules on pesticides.

³³ See House of Commons Northern Ireland Affairs Committee, *supra* n. 29

In all cases, British producers wishing to export agricultural produce to the EU would have to meet all EU regulations, standards and labelling for such exports. For meat, for example, this would mean inspection of British slaughterhouses.

Finally, agricultural trade across the border with Ireland – which is important in both directions – would be a particularly sensitive question. With the UK outside the EU's customs union, controls on goods passing between Northern Ireland and the South would be necessary, and although it may be possible to devise simplified border controls for goods passing by road – for example, by equipping lorries with electronic tags – it will be very difficult to control effectively 500 kilometres of largely unmarked border, particularly for the passage of live animals or other agricultural products.

November 2016

Annex

Statements of British Ministers

ANDREA LEADSOM, Secretary of State for Environment, Food and Rural Affairs

In the past, she has made various statements on agricultural policy: in 2007 she declared “subsidies must be abolished”;³⁴ in a debate during the referendum in 2016 she promised to “continue in the short term to provide subsidies while the Government considers what makes sense”; she also referred to the possibility that farmers “with big fields do the sheep and those with hill farms do the butterflies”. On the general effects of Brexit she stated “if there is a short-term economic impact we have to say, ‘What does that mean?’ What it normally would mean is that sterling might go down, and if sterling goes down, that’s great news for exports. But as I say, sterling has really not moved since the Prime Minister announced the starting gun for the referendum. So my best expectation, with my 30 years of financial experience, is that there will not be an economic impact.”³⁵

Since the referendum, Mrs Leadsom has been circumspect. She has declared, “I have my own huge ambitions. Obviously, top and centre is to make sure that we seize the opportunities that leaving the EU offers right across the board”, one key objective being to promote Great British Food on non-EU markets.³⁶ She refused to elaborate on what the UK’s future trading relationship with the EU should be, claiming only that Britain should seek a “bespoke” deal with the EU that offered the maximum amount of access to the Single Market. “All potential outcomes are being looked at [...] We will give those answers as soon as we can”.³⁷ On domestic policy, she offered no clues as to its future direction, stating that “a lot of work is going on” on options to support and promote British agriculture.³⁸

GEORGE EUSTICE, Minister of State for Agriculture and Fisheries

He told a conference of the National Farmers’ Union during the referendum that leaving would create an £18 billion-a-year “Brexit dividend”.³⁹ This could be used to continue payments to farmers through an improved scheme. “Could we find the money to spend £2bn on farming and the environment? Of course we could. Would we? Without the shadow of a doubt”. Later in the year, he said, “The birds and habitats directives would go [...] If we had more flexibility, we could focus our scientists’ energies on coming up with new, interesting ways to protect the environment, rather than just producing voluminous documents from Brussels [...] Our objective would be to put in place a government-backed insurance scheme, similar to the one in Canada, to protect farmers from bad weather, crop failures and drops in prices.”⁴⁰

³⁴ Andrea Leadsom, ‘Does Britain need its own farming industry?’, *AndreaLeadsom.com*, 28 February 2007

³⁵ ‘Brexit Would Have No Impact On UK Economy, Says Andrea Leadsom’, Emily Ashton, *BuzzFeed News*, 20 June 2016

³⁶ House of Commons Environment, Food and Rural Affairs Committee, *Oral evidence: The Work of the Department for Environment, Food and Rural Affairs*, HC 666, 19 October 2016, p. 5

³⁷ *Ibid.*, p. 13

³⁸ *Ibid.*, p. 12

³⁹ ‘UK environment ministers at odds over Brexit impact on farming’, *The Guardian*, 24 February 2016

⁴⁰ ‘Brexit would free UK from ‘spirit-crushing’ green directives, says minister’, Arthur Nelsen, *The Guardian*, 30 May 2016

Since the referendum, Mr Eustice has said, "It is a really exhilarating time to be in Defra, trying to plot a new course for farm policy in this country [...] We can think things through from first principles and ask how we can best deliver for our environment, what is the right policy mix that will enable us to manage risk and volatility, how can we promote science and technology to deliver profitable farming."⁴¹ He said he had looked at the Canadian model of crop insurance and was interested in taking a more holistic approach to environmental management. He added that his Department was doing a huge amount of work to try to establish a new futures market in dairy products, "so the next time there is a downturn, we are better placed to deal with it".⁴²

⁴¹ 'George Eustice sets out principles for a British farming policy', Philip Clarke, *Farmers Weekly*, 1 July 2016

⁴² *Ibid.*



Senior European Experts

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