

Autumn Black-grass Guide

CLICK HERE

to download NOW!

ADAMA

Autumn Black-grass Guide

The management to herbicide resistant grass-weeds is in farmers' hands

Herbicide resistant weeds pose a major threat to sustainable crop production. Farm solutions are within every farmer's hands

ADAMA

FarmBusiness

BUSINESS ANALYSIS FOR THE PROGRESSIVE FARMER

March 13th, 2019. Issue 62

SIGN ME UP. CLICK
HERE TO RECEIVE
YOUR FREE EDITION

BASIS
Professional Register

Claim TWO Basis points for
reading Farm Business

“Confidence in our
political leaders is
almost gone”



Image: UK Parliament/Flickr

“As we teeter on the brink of the cliff edge, just 17 days’ away, confidence in our political leaders is almost gone.”

The Food and Drink Federation’s chief executive Ian Wright summed up the mood of many in the food and farming sector in his response to Prime Minister Theresa May’s latest setback in her efforts to secure a Brexit deal by March 29.

Last night’s vote leaves the country, and thousands of British businesses, in an almost unthinkable position, without precedent and without any clarity for the months and years ahead.

With just over a fortnight to go, and two more crucial votes to come on a no deal and delaying Brexit over the next two days, all of these outcomes remain a possibility:

- Leaving on March 29 with Mrs May’s deal following another meaningful vote.
- Leaving without a deal on March 29.
- Extending Article 50, subject to EU approval, by weeks or months.
- Leaving at the end of any extension with a tweaked version of Mrs May’s deal or even a completely re-negotiated deal.
- Leaving without a deal at the end of an extension.
- A General Election.
- A People’s Vote and no Brexit.

If there is any ground for relief, it is that leaving on March 29 without a deal appears unlikely, if not totally out of the question. But the prospect

has not gone away altogether. While Mrs May might have one more attempt at getting her deal through, for now a delay is surely the most likely option. But then what?

The reality is that the country is being brought to its knees by the inability of our elected representatives to put personal ideology and ambition aside and find any semblance of common ground on the way forward.

For businesses, particularly in food and farming where so much depends on the nature of our future relations with the EU, the uncertainty is crippling. How can businesses plan for the future when they have no idea what it looks like?

In a statement, the four UK farming unions said the continued uncertainty is having ‘real world consequences on farming businesses already’. This is reinforced by the British Meat Processors Association, which reported that some export shipments had been cancelled because of uncertainty over tariff rates that could be applied to the goods on arrival.

Fear of the consequences of a no deal is growing with each day that MPs appear unable to agree on an alternative outcome. “A no deal exit would be a catastrophe for British farming and food production. Therefore, some sort of extension of the Article 50 deadline will be necessary,” the leaders of the farming unions said.

Alistair Driver
Editor, *Farm Business*

Contents

- 02
THE NEW SPECIAL
RELATIONSHIP?
- 04
PROPOSED TARIFFS
AND WHAT THEY MEAN
- 06
A SHOWCASE FOR
BRITISH FARMING
- 08
BUILDING FARMERS’
TRUST IN THE MEDIA
- 09
AN INSURANCE POLICY
AGAINST VOLATILITY

BASIS POINTS
[CLICK HERE TO CLAIM
TWO BASIS POINTS FOR
READING FARM BUSINESS](#)

» **NEXT EVENT** »
IFE International Food and Drink Event,
March 17-20,
Royal Victoria Dock, London

Lewis Business Media
magazines | web | events | data

Contacts:
Editor Alistair Driver
T 07787 240832
E alistair@lewisbusinessmedia.co.uk
Sales director Steve Blakebrough
T 01825 701245
E steveb@lewisbusinessmedia.co.uk
Production Allan Norbury
T 01825 725296
E allan@lewisbusinessmedia.co.uk
Publisher and group managing director
Simon Lewis
T 01825 983105
E simon@lewisbusinessmedia.co.uk
All general enquiries
T 01825 983105



The government views a US trade deal as the ultimate prize. But this could be a disaster for farming

Creating a new special relationship...

Is the Government happy to play by the US's rules in search of a trade deal?

An old Chinese curse is 'may you live in interesting times' – and over Brexit that is certainly the case. Whatever happens politically in the short-term, we are just at the beginning of a process that will decide our relationship with the EU-27. Patience will be needed as the certainty about future markets and support farmers want remains more elusive than ever.

There are persistent rumours that the Government wants to make a big gesture by slashing import tariffs. The motivation would be to prevent inflation in a weakening economy by driving down prices for food in particular. This would prove popular, provided people are happy with cheap imported food of a dubious standard.

However, it would be disastrous for agriculture, as the farming lobby has made clear. It would undermine the home market, and because of the risk of import substitution would close the UK out of the EU-27. Under those circumstances agriculture would have a grim future and that is not what thousands of farmers voted for when they supported Brexit.

Brexit is supposed to be about new opportunities for trade and government ministers are desperate for high profile trade deals. It will mean walking away from trade deals with countries around the world negotiated by the EU. For now, booming UK exports are on the back of EU trade deals. After Brexit the UK will have to go it alone, but we are assured that this will be real prize of

independence from Europe. Many politicians in the Conservative party, including the Trade Secretary Liam Fox, have said that. But none have demonstrated effectively why this should be the case.

What has not even been hinted at is how agriculture would be protected. This is central to all trade deals struck by the EU. It is why the Mercosur deal with South America has been delayed so long to protect the European beef industry. Farmers would like similar assurances about protection in UK trade negotiations, but that looks unlikely.

The government views a US trade deal as the ultimate prize. This is despite most other governments not trusting the Trump administration as negotiators. It is also despite economic assessments that suggest the UK has less to gain than politicians expect. The Trump administration wants to divide and rule by distancing the UK from Europe and drawing it closer to Washington. Its ambassador to the UK, the colourfully named Woody Johnston, recently described Europe as an agricultural museum. He suggested the future lay in products like chlorine-washed chicken and hormone-treated beef.

That displays an arrogant belief that the views of 60 million consumers in the UK must be wrong. The Government should be making that clear, but with the begging bowl out for a trade deal it seems happy to play the US game.

That is not what farmers voted for with Brexit, but it has become the reality of the UK's new trade vulnerability.

**THE NEW ROUNDUP
YOUTUBE CHANNEL**

ZERO TO HERO

(IN JUST 1 YEAR).




Grow to expect the best


RGT GRAVITY


G4 (HARD) WINTER WHEAT


AT THE ROOT OF COMPLETE CONFIDENCE. ACHIEVING TOP 3 VARIETY STATUS IN ITS FIRST COMMERCIAL YEAR.

CHARACTERISTICS:

 UKs highest yielding hard feed wheat

 Delivers as a first and second wheat

 Consistent across all regions

 OWBM resistant

It isn't by chance we are Europe's number one cereal breeder, supplying seed across the world. Consistently developing and growing outstanding varieties such as RGT Gravity responsible for exceptional yields which deliver 'complete package' features and characteristics demanded by farmers and end users. Discover seed varieties you can have total confidence in. Discover how you can **grow to expect the best**.

Government no deal tariff regime paints a mixed picture

It could have been a whole lot worse. But the tariff regime announced by the Government highlights yet again how damaging a no deal Brexit could be for farming

As if further confirmation were needed of why a no deal would be so harmful for British farmers, the Government has finally published its import tariff schedule.

It could have been worse. There had been considerable pressure within the Cabinet for a more extreme low-tariff regime to ensure access to cheap imported products from all over the world, including food.

The farming industry made a persuasive case to Defra Secretary Michael Gove about the dire consequences such a policy would have for farmers and consumers. He, in turn, successfully argued for some protection for farmers at least.

The context, of course, is that in the event of a no deal, at whatever point in time, the UK would no longer enjoy the combination of tariff-free trade with the EU and the EU's tariff protection on third country imports. Instead, the UK would be operating under WTO rules.

Exports to the EU would therefore face the same tariff rates as the EU currently imposes on third country exports, typically increasing rates of beef and sheep products, for example, by 40%. Most agricultural products and cuts would be affected, in some cases doubling in cost for EU buyers.

It is important to point out that these tariffs would not all kick in from day one – UK exporters would be able to take advantage of tariff-free quotas in some cases, with tariffs only kicking once these have been exceeded. Nonetheless, the overall impact on the UK's competitiveness on the EU market for some products would be significant, with the sheep sector likely to be the worst hit.

But in considering its strategy on imports, the Government faced a balancing act between keeping consumer prices down and protecting sensitive products, while ensuring continuity of supply.

The upshot is that it opted for a low-tariff regime where possible. [In the schedule published today, which can be viewed here, 87% of all imports by value would be eligible for zero-tariff access. This compared with 80% under the current EU regime.](#)

With the tariffs applying equally to the EU and the rest of world, the regime would, to a degree, shift the emphasis of our imports away from the EU towards other markets. According to analysis from the BBC, 82% of imports from the EU would be tariff-free, compared with 100% now, while 92% of imports from the rest of the world would be tariff-free, up from 56%.

For farming, while some EU imports will face tariffs for the first time, tariffs imposed on third country imports will be significantly lower. Some farming sectors have been given considerable protection, but others less so and some not at all.

Sheepmeat tariffs would be unchanged from current EU rates. This would add around 40% to the cost of the relatively low vol-



The Government has now revealed its tariff schedule for imported goods

umes of imports from the EU and ensure most imports continue to come in tariff-free from Australia and New Zealand, according to AHDB.

For beef, a tariff rate quota (TRQ) of approximately 230,000 tonnes would be implemented in addition to the 55,000t the UK would inherit from the EU. This would allow tariff-free access to the UK by any country, including EU producers. But for volumes above that, equating to around 95,000t, tariffs would be applied at a lower rate than current EU tariffs.

For pork, tariffs would remain but at significantly lower rates – about 13% of EU levels – on most cuts, except sausage, which appears to have been set a zero tariff. EU shipments, which account for 60% of domestic consumption, would face tariffs for the first time, but access for third countries would be significantly easier, as the Government seeks to ensure continuity of supply.

There would be no TRQs for dairy but UK tariffs would be significantly lower than currently applied at EU level. There would be quotas for poultrymeat, but much lower tariffs.

But there would be little or no protection for eggs, cereals, fruit and vegetables, a situation described as 'enormously worrying' by NFU president Minette Batters.

She said it was 'appalling' that the announcement has only been made a fortnight before the tariffs could come into effect. While the NFU is 'pleased to see that the Government has listened to our concerns and elected to treat many agricultural sectors sensitively', the schedule is 'another example of how British farming will be damaged by a no deal Brexit', she added, noting that tariff rates will be significantly lower for third countries in most cases.

Mrs Batters said the approach would mean a greater reliance on imported food. "This would not necessarily lead to cheaper food for consumers but would mean we export the environmental impact of our food production while losing control of the high standards of animal welfare to which that food is produced," she said.

PRAXIM[®]

Broad spectrum herbicide for potatoes

- The foundation of weed control
- Effective against a wide range of weeds
- Flexible tank-mix options
- Useful on all soil types



Find out more at:
belchim.co.uk

 **BELCHIM**
CROP PROTECTION

USE PLANT PROTECTION PRODUCTS SAFELY. ALWAYS READ THE LABEL AND PRODUCT INFORMATION BEFORE USE. For further information on product hazard warnings, risk and safety phrases consult the website www.belchim.co.uk. Belchim Crop Protection Ltd., 1b Fenice Court, Phoenix Park, Eaton Socon, St. Neots, Cambs, PE19 8EW. Praxim[®] is a registered trademark of Belchim Crop Protection NV/SA. Praxim[®] contains metobromuron.



Welsh dairy farmer Abi Reader hosts an Open Farm Sunday every year. She said it can make a real difference

An opportunity to showcase British farming

LEAF (Linking Environment And Farming) is calling on farmers to join forces to build public support and loyalty for British produce on farming's annual open day, LEAF Open Farm Sunday. The day, to be held this year on June 9, sees hundreds of farmers open their gates every year to the public to show them what they do and why farming matters.

"Farmers who invite the public onto their farms on Open Farm Sunday are having a lasting positive impact," said Annabel Shackleton, LEAF Open Farm Sunday (OFS) manager.

"In a survey last year, 87% of visitors said it had changed the way they think about farming and 78% said they were now more proactively looking to buy British food."

Of the 362 farms which hosted an OFS event last year, 26% did so for the first time – the highest number to date. These farms encompassed all types of farm enterprise from arable, livestock and dairy through to horticulture.

"Opening your gates and engaging with the public on any scale is immensely powerful in building loyalty and influencing positive buying habits and wider industry support," said Mrs Shackleton. "Even if it's a small farm walk for 20, every person a farmer speaks with counts and can make a huge difference."

Last year nearly 300,000 people visited an OFS event. As the demand increases, it is an ideal time for farmers to show people across the UK

what the industry achieves and why British farming is so important, particularly when there is a question mark over how public money is spent for public goods.

Welsh dairy farmer Abi Reader, who hosts a LEAF OFS event each year, said: "It doesn't matter if people leave your farm not fully understanding how you grow your crops or how you milk your cows. "What matters is that when they are in a supermarket or a restaurant, they look for a British logo because they remember the good experience when they visited a farm like yours, like mine."

How to get involved

For information and to register an event go to www.farmsunday.org

For tips on hosting a LEAF Open Farm Sunday event see [Abi Reader's vlog here](#).

All farmers considering hosting a LEAF OFS event can download the Information Pack at www.farmsunday.org or order a copy from LEAF 024 7641 3911.

Once an event is registered, farmers can access the optional free online ticketing service to manage visitor numbers. A range of free resources including flyers, postcards, gate banners, arrows and information posters is also available.



Introducing

PLENUM® APHOX®

is advancing...

Mavrik® is a registered trademark of the Adama group. Mavrik® contains 240 g/litre (22.0% w/w) tau-fluvalinate. Always read the label and product information before use. For further product information, including warning phrases and symbols, refer to www.adama.com/uk or call The Technical Helpline on 01635 876 622.

Adama Agricultural Solutions UK Ltd. Unit 15, Thatcham Business Village, Colthrop Way, Thatcham, Berkshire RG19 4LW. Telephone 01635 860 555. UKenquiries@adama.com.



MAXI TRACTION 65

MAXIMUM TRACTION,
MAXIMUM LIFE

Firestone

www.bridgestone.co.uk/agricultural/



Giving farmers the confidence to speak up for their industry

Just Farmers founder Anna Jones details how the scheme is rebuilding trust between farmers and the mainstream media

When trainee radio journalists are learning how to edit audio, a common exercise is to snip the 'G' off 'God Save the Queen', replace it with a 'S' and cut the 'save'. You've now made someone say: 'Sod the Queen'.

It demonstrates how easy it is to misrepresent someone and reminds us of our responsibility, and legal duty, to never alter the meaning of someone's point. We can make them say it a bit faster without the ums and waffle, but, fundamentally, our job as journalists is to represent our interviewees fairly and truthfully.

This, along with many other insights from the world of journalism, were shared with a group of farmers at the most recent Just Farmers workshop, held in Bristol last week.

It's the third media education workshop I've run since leaving the BBC nearly a year ago; when I realised someone had to do something about the chronic lack of trust between farmers and the mainstream media.

Just Farmers is a grant-funded project that aims to build confidence and communication skills among farmers and growers, while helping colleagues in the media find independent farmers who will talk to them. Even on a bad news day.

I seek out those who are passionate about what they do, who enjoy talking and listening and believe in the importance of engaging with the public – but perhaps nerves or fear has prevented them from doing so in the past.

There are now 24 farmers in two groups representing the diversity of modern British agriculture. Indoor and outdoor livestock systems, organic and conventional growers, large businesses and small family farms. In our newest group there's a farmer who will soon be milking 2,000 cows in a brand new



'mega dairy', and a biodynamic beef producer who hand-sows grass and clover seeds, leaving his cows to tread them into the soil as they mob-graze the pastures.

Each group completes two workshops – one in the city and one on a farm. I believe it's important to start our journey in an unfamiliar, urban environment away from the farm.

We are joined by guest journalists working in national and regional news, across print, radio and television. They lead practical interview exercises, answer questions and level with our farmers about the reality of working with the media.

In the evening, we eat at a vegan restaurant – fragrant Indian street food made with chickpeas, lentils, fresh vegetables, herbs and spices. For at least half the group (some of whom eat meat seven days a week) it was their first ever vegan meal.

We do not dance around the elephant in the room. Our hosts share their passion for vegan food and their commitment to a vegan lifestyle, while the farmers feel comfortable enough to ask questions, debate a few issues and share their own stories. Ultimately it brings two very different worlds together, with a shared love of food. There were 12 cleared plates to prove it.

In early July, we will meet for our second workshop on a farm in Staffordshire. This is where we put everything we've learnt into practice, replicating studio and pre-recorded interviews with professional cameras and microphones, challenging the farmers on controversial issues in food and farming.

They're not told what to say, but they are able to experience the sensation of staring down the barrel of a lens, of getting their message across before the clock runs out and staying calm under pressure. We explore social media, the mechanics of TV production and even learn how to shoot short films on a smartphone.

Is it working? Yes. Just Farmers has already helped dozens of journalists find farmers who will talk to them. Sometimes they end up on air or in print, other times they have a background research chat, which is equally valuable. It helps members of the media get an individual's take on things, at a grassroots level.

I recently asked the first group what they took away from the experience. "Confidence," they said.

It felt amazing to hear that. And that's what will drive me on to deliver the next workshop, and the next. Because everyone deserves to be confident in who they are and what they do.

I will soon be recruiting for our next round of workshops, starting in Bristol in September. If you would benefit from being part of Just Farmers, you can apply [here](http://www.justfarmers.org/for-farmers):

www.justfarmers.org/for-farmers

I would love to hear from you.

A new tool to tackle farming volatility



Former farming minister George Eustice (left) and Stable founder Richard Counsell speaking at the launch event

How managing risk could become as simple as insuring your car

From climate change and unpredictable world markets to the threat of a no-deal Brexit, the issue of agricultural volatility is never far from the headlines.

“The decrease clearly highlights how exposed agriculture is to market volatility and emphasises the need for measures to manage it,” the NFU said last month after farm income forecasts revealed all sectors have seen their incomes fall over the past 12 months.

But while Brexit may currently be compounding the issue, volatility has been a gnawing headache for the Government in recent years.

In 2016, having acknowledged the problem it posed to farmers, the House of Lords commissioned its own report to identify ways to build more resilience into the agricultural sector.

The report looked internationally to countries including the US and Canada, where government-backed farm insurance has become a key tool in managing fluctuating commodity prices.

In the US, for example, low milk prices are supported by the Margin Protection Program, which was introduced in 2014 to pay out to farmers when national average margins fall below a pre-agreed level. Margins are calculated from national feed costs, which incorporate prices of corn, soya bean meal and alfalfa hay.

The system is a lifeline for farmers who are struggling with a milk price which is lower today than it was a decade ago, but with subsidised premiums starting at \$100, critics of the system say taxpayers shoulder a hefty amount of the costs.

Federal crop insurance faces similar challenges to justify its existence – while it offers support to farmers when farm revenues drop, low premiums mean taxpayers cover about 60% of the costs.

For a government that has long-criticised the CAP for being overly complicated and not providing value for money to the public, government-backed insurance was never likely to appeal.

“When I was at Defra and considering future agricultural policy, I was interested in government-backed schemes like those in the US and Canada,” said former farming minister George Eustice. “However we very quickly realised that the systems – particularly the ones in the US – were every bit as bureaucratic as the CAP,

so we wrote-off that idea.”

So what’s the solution for an industry that is facing increasingly volatile times? The answer could lie, partly at least, in a new risk management tool developed to help farmers find their own ways to manage volatility in their businesses.

The brainchild of Somerset farmer’s son Richard Counsell, Stable offers affordable insurance to farmers looking to protect themselves from falling commodity prices and rising costs. The first platform of its kind outside the US, it is designed specifically with farmers in mind, and aims to make protecting commodity prices as simple as insuring a car.

The idea came while Mr Counsell was completing a Nuffield Farming Scholarship looking into ways family farms like his own could build more financial certainty into their enterprises.

Using knowledge gained from a career in software development, he took inspiration from AG Street’s quote ‘Up corn, down horn’ and worked with experts to develop an insurance platform that acted like a mixed farm, spreading risk across lots of commodities.

The approach is intended to ensure premiums payable by farmers would be affordable, without public subsidy.

Now live across 15 countries, farmers in the UK can insure the price of milk, oilseed rape, milling wheat, feed wheat and feed barley, as well as lamb, pork, diesel and AN fertiliser. The minimum size of policy is 10t of crops, 1,000kg of livestock or 10,000 litres of milk.

“As an industry, volatile prices and costs are one of our biggest risks,” Mr Counsell said during the platform’s launch in London last week (March 5).

“Meeting thousands of farmers during my Nuffield scholarship helped me understand the need to build a simple solution that was available to farmers of every size and every sector.

“As price takers, we need to grab the bull by the horns and tackle volatility head on, which is exactly what Stable can help farmers do.”

Mr Eustice was similarly enthusiastic. “Richard and his team have created the world’s largest virtual mixed farm using years and years of data to create a platform which farmers can insure the price of their milk in the same way they insure their tractors or their car,” he said.

“He understands that farmers don’t want to speculate in the city, but want to insure the price of milk. What Stable has done is a remarkable idea, and by neutralising risk for farmers it has identified a way forward.”