Creating sustainable business

Environmental management in the age of Brexit

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Globally, UK farming performs well environmentally

Cost of natural capital impacts per USD million revenue (USD per USD million).

Source: UN Food and Agriculture Organization
But entrenched environmental declines make further improvements essential

- Anglian River Basin: over 50 per cent of our best farmland, c.12,000 farms
- Produces more than a quarter of England’s wheat and barley, half of its sugar beet and much horticultural produce
- Soils are declining – water is highly-stressed – climate change will intensify risks and challenges
Government is committed to supporting and rewarding greener farming

- 25 year plan for the environment.
- Clean Growth Strategy.
- Industrial Strategy.
- Agriculture Command Paper.
But current policy proposals create risks that will need addressing

- Where does food production sit in relation to “public money for public goods”?
- How will universal minimum environmental standards be enforced if cross compliance is abolished?
- What support will be available for farmers to navigate the transition?
And since commitments are not yet locked-in through legislation, they could be undercut.

**DOMESTIC POLICY**

- **Environmental standards**
  - Hugely ambitious 25 year environment plan; commitments over “green watchdog”, retention of EU environmental principles, and protection of food safety, health and environment standards in trade negotiations.
  - Emphasis of future farm payments will be delivery of “environmental public goods”; commitment from government to vision of “best quality food in the world to the highest standards in the world”.

- **Agriculture policy**

**INTERNATIONAL AGREEMENTS**

- **Future relationship with the EU**
  - ???
  - UK will be outside the single market and customs union.

- **Future trade relationships with RoW**
  - ???
What might the future look like?

Brexit outcome

- Deal with EU (inc FTA)
  - No FTAs with other countries
  - FTAs with others e.g. US
  - MFN tariffs applied to all
  - Unilateral trade liberalisation

- No deal with EU
  - In Europe, outside the EU
    - Best of both worlds
    - Britain in the world
    - Trade at all costs
What might a US trade deal bring into play?

- **Lifting of bans on certain production practices** e.g. hormone-treated meat, pathogen-reduction treatments (chlorine-washing).

- **Changes to traceability rules for meat products** e.g. country of origin labelling or animal welfare statements on import certificates.

- **Changes to rules for pesticides** e.g. raising of maximum residue levels (MRLs), lifting of bans on certain pesticides.
Some building blocks of a resilient system

1. Support continued development of world class UK agricultural assurance schemes.
2. Put into law acceptable minimum standards of environmental practice for farming.
3. Ensure that the new farm payments scheme to replace the Common Agricultural Policy encourages the shift to sustainable food production.
4. Institute a consultative process to define and enforce appropriate standards for UK food outside the EU.