

Committee: Policy Board
Circulation: Policy Board

Meeting Date: 06 September 2023
Location: NFU HQ
Chair: Minette Batters
Secretary: Charlotte Nott
Tel: 07792604690
Ref: PB1281

Present: Minette Batters (Chair), Tom Bradshaw, David Exwood, Aled Jones, Terry Jones, Matt Culley, Richard Findlay, Martin Emmett, Andrew Burgess, Michael Oakes and James Mottershead.

By Invitation: Andrew Clark, Fayza Benlamkadem, Robin Manning, Nick von Westenholz, Hannah Harrison, Liv Phoenix, Charlotte Nott, Richard Bramley and Nick Hamer.

In Attendance: Richard Wordsworth, Claire Robinson and Fergus Starkey

Apologies: Thomas Binns

Policy Board Minutes – 06 September 2023

1. 23 July minutes & actions [PB1261]

All matters concerning July's minutes were deemed to be a true and correct reflection of the meeting. The document was approved. All the actions from the last meeting were ongoing or complete.

FOR DISCUSSION AND ACTION:

2. Opening remarks from the President (*Minette Batters*)

The President warmly welcomed all attendees to the meeting and noted the apologies from David Exwood, who would join later for the ELMs (Environmental Land Management) discussion, and Thomas Binns, who couldn't attend.

Minette shared some positive news regarding parallel imports. A letter from Mark Spencer confirmed that the Government would support and utilise REUL bill to facilitate parallel imports. Attendees discussed the timing of this development and expressed curiosity about the content of the national action plan that would accompany it. There was a sense of increased confidence among attendees due to this news.

The President reported on a recent farm visit to her own farm. She hosted a meeting with Therese Coffey and Mark Spencer and representatives from both their private offices. The meeting took place from 9:00 am to 2:00 pm and included a tour of the farm. Discussions covered various topics, including the Food and Drinks Sector Council, the delay in Sustainable Farming Incentive (SFI), and the lack of a clear plan affecting all land areas and sectors. The importance of engaging in such conversations is to enhance government understanding. The President highlighted the need for the government to decide on a management plan concerning species reintroduction.

Attendees discussed the approaching autumn period and the pressure to make a case for the budget. The role of farm assurance was emphasised as critical in this process. The President praised the work on the "buy British" button, which will address bar coding issues.

Action: to follow up on the request for an op ed with Mark Spencer in the trade press on seed treatment and Parallel Imports with Sally Randall, Defra director.

The voice of British farming

3. International Trade update (Nick von Westenholz)

Update on Farm Support Payments and Budget:

Nick Von Westenholz commenced the meeting with an update on the progress regarding farm support payments and the budget. He informed the attendees about the ongoing internal work, in collaboration with the economics team, aimed at mapping out the future total farm budget while considering all three cornerstones. Furthermore, plans were discussed to engage with Andersons for economic analysis to derive the final budget figure, with the intention of adding credibility to the number. It was hoped that this process would be concluded by the end of the year to align with the development of the NFU manifesto. Nick acknowledged the sensitivities surrounding this matter concerning the Environmental Land Management Scheme (ELMs) and Sustainable Farming Incentive (SFI). He also mentioned that once a budget figure was determined, it would be reported back at the next policy board meeting.

Target Operating Model Publication:

The next agenda item covered the publication of the target operating model, which details import controls for all countries exporting to the UK. Nick expressed his frustration over the fifth delay in implementing these controls and outlined the timeline. Initial requirements for certification are scheduled to be enforced in January, with the main swath of controls coming into effect in April. He emphasised the department's positive reception of the introduction of import controls and highlighted the discrepancies between the application of these controls to the rest of the world and EU imports following Brexit. Nick also touched upon the recently published risk categorisations for imports, indicating varying levels of checks based on risk factors. He noted that products of animal origin across the EU would be categorised as medium risk, while sheep meat from Australia and beef from New Zealand would be categorised as low risk.

Update on Ukraine Tariff Suspensions:

The discussion then shifted to the current suspension of tariffs on imports from Ukraine, set to expire next Spring. Nick informed the attendees that the Department for Business and Trade (DBT) was closely examining Ukraine's request for an extension of this suspension. He mentioned that Ukraine had also requested a permanent suspension of tariffs, and the DBT was internally assessing the potential impacts on various sectors, including poultry, cereals, and grains. Nick noted the political sensitivities associated with the Ukraine war and its agricultural sector, highlighting the balance between these concerns and the economic impact on the UK. To address these issues, a paper outlining concerns and the position for annual rolling reviews of tariff suspensions each Spring, along with the ability to implement safeguards if necessary, was in the pipeline for submission.

Action: Nick - will check to see if there is a public consultation planned.

Action: Nick - once submitted paper to DBT, share with board chairs so they can use it for information.

4. BAB update (Robin Manning)

State of Play:

Robin commenced with a summary of the current state of play on key policy areas. The discussion began with a focus on the political climate, as the Commission and Parliament approached the end of their terms. Notably, Members of the European Parliament (MEPs) were positioning themselves for re-election, and concerns are being voiced within the centre-right European People's Party (EPP) regarding elements of the Farm to Fork initiative. This internal debate led to negative opinions on the Industrial Emissions Directive (IED) proposal and resulted in the significant dilution of the proposed nature restoration law.

Council and Commission Dynamics:

On the side of the Council, Member States (MS) had already sent the Sustainable Use of Resources (SUR) proposal back. Furthermore, the Commission experienced a significant change with the departure of Commissioner Timmermans, who was responsible for the Green Deal. This development has been met with mixed sentiments, with Copia members expressing little regret at his exit. Looking

ahead, the Commission was noted to be adopting a more cautious approach, as evidenced by the proposed soil monitoring law and the slowing down of proposals related to animal welfare. It was suggested that such caution might become more prevalent if the Commission hopes to garner support for its other policy proposals, given the upcoming elections scheduled for June.

Ukraine and Trade Relations:

The meeting turned its attention to the Ukraine situation and broader trade dynamics. The suspension of the Black Sea Initiative had significant repercussions on relations between Member States. Notably, restrictions on imports from Ukraine to 5 countries were set to expire on 15th September, with Poland leading the case for an extension until the end of the year, a position supported by the Agriculture Commissioner. However, most other Member States expressed concerns about the potential impact on the single market and the message this would send to President Putin.

Ukraine's Agricultural Outlook:

Additional context was provided regarding Ukraine's agricultural outlook, with the country recently increasing its harvest estimate to 80.5 million tons of grains and oilseeds, up from previous estimates by 3.7 million tons. Export projections for the 2023/2024 season, though reduced to almost 49 million tons from 58 million tons, were contingent on the ability to transport grains out of the country.

Trade discussions included updates on various trade negotiations:

- Negotiations with Australia collapsed in July due to dissatisfaction with the Commission's market access offer. Australia is adopting an assertive stance by including access to critical minerals in the discussions.
- New Zealand's agreement was expected to be ratified shortly.
- The Mercosur agreement, a decade-old trade deal, was still awaiting ratification, with the Commission working on securing adherence to sustainability principles.

5. Political update (Liv Phoenix)

Labour Reshuffle and Key Missions

Liv Phoenix began the meeting by discussing the recent Labour Party reshuffle and the key missions outlined by Keir Starmer. Notably, the shadow cabinet positions related to the economy, health, education, crime, and net-zero remained unchanged. However, there was a change in the position of Shadow Secretary of State, with Steve Reed taking over after Jim McMahon's resignation. McMahon's resignation letter primarily highlighted the "Tory sewage scandal". Liv mentioned that John Ashworth, another member of the shadow cabinet, had also focused on this issue. Steve Reed, previously in the Department for Justice, is expected to lead attacks on Therese Coffey. Daniel Ziekner retained his position as Shadow Farming Minister, and Daren Jones, former Business Select Committee Chair, moved to the Treasury, making him a key target for agriculture budget discussions. Keir Starmer's feature in Country Life magazine emphasised a focus on tenant farmers and the bTB vaccine.

Conservative Reshuffle:

A conservative reshuffle was also noted, with Claire Coutinho appointed as the new DZNZ Secretary of State. Liv mentioned that this appointment was seen as a positive development, as Coutinho actively engages with farmers and is open to discussions on sector resilience, infrastructure, and industry support.

Back British Farming Day (13th September):

Liv highlighted the upcoming Back British Farming Day on September 13th. The initiative includes a social media toolkit, with a key request for MPs to wear a wheatsheaf pin badge to show their support for farming. Liv noted that the campaign kept its requests generic, with more specific asks planned for the upcoming general election. Efforts are being made to secure the Leader of the Opposition's participation, even though Rishi Sunak does not wear badges.

NFU Manifesto and Opposition Engagement:

The voice of British farming

The NFU's manifesto is currently in development, and high-level asks will be discussed at both party conferences. Liv mentioned that the NFU has been engaging with opposition parties, including the Green Party and the Liberal Democrats, to explore potential collaboration. Party conferences are scheduled for the end of the month, with notable speakers like Ed Davey, Tim Faron, and David Exwood participating in the farming reception.

Right to Roam and Countryside Access:

The discussion touched on the issue of right to roam and access to the countryside. Tom Bradshaw raised concerns that if there is an expansion of access, it's essential to define the actions needed to minimise the impact on farming. The President emphasised the importance of responsible access to the countryside.

Action: In our manifesto we need to be clear about our asks on responsible access to the countryside.

6. Hedgerow Consultation (Richard Wordsworth)

Consultation on Protecting Hedgerows in England:

Richard Wordsworth initiated the discussion by providing an update on the ongoing consultation regarding the protection of hedgerows in England, particularly focusing on maintaining protections after the end of cross-compliance. He highlighted the consultation's 12-week duration, with a submission deadline set for September 20th. Richard emphasised the significant online engagement efforts conducted since the end of June, involving approximately 600-700 members, marking it as the largest online engagement effort of its kind.

Key Areas of Consultation:

Richard Wordsworth outlined the four primary areas of concern within the consultation where they sought input:

1. **Hedge Cutting:** The role of Defra in maintaining a no cutting period to safeguard essential bird species.
2. **Buffer Strips:** The possibility of replicating exceptions to regulations if a no cutting period is maintained.
3. **Applicability of Rules:** Determining who the rules should apply to.
4. **Sanctions:** Establishing a regime for those not in compliance.

Discussion on Hedge Cutting:

The group engaged in a discussion regarding the responses received for the consultation questions on hedge cutting. The majority of respondents supported the idea of maintaining a no cutting period. Additionally, there was a discussion about the timing of this period, with a preference expressed for moving the end date to July 31st instead of retaining it at the August 31st.

Richard Bramley underlined the value of hedges in the countryside, describing them as iconic features in England and Wales and vital for supporting biodiversity. He expressed concerns that current proposals might be leading in an undesirable direction concerning hedge management.

Tom Bradshaw conveyed that the data collection process represented grassroots member views, and a clear majority favoured the July 31st cutting date. He highlighted that this choice would simplify hedge management and reduce the need for derogations. The Board's consensus was that NFU call for a 31 July end date.

Additional Consultation Questions:

Other consultation questions were discussed, including whether protections should extend to fields under 2 hectares (a majority opposed) and whether protections should encompass hedgerows outside of agricultural land (a majority was in favour).

Sanction Regime:

The discussion shifted to the sanction regime, with Richard Wordsworth expressing concern about the lack of clarity and information provided by Defra in the consultation. Various types of penalties were mentioned, including stop notices, restoration notices, compliance notices, variable monetary penalties, and fixed monetary penalties. It was stressed that further discussions with Defra on this issue are necessary.

Tom expressed caution regarding variable penalties and stressed the importance of knowing the maximum penalty. The absence of a maximum penalty would raise concerns.

Action: The meeting concluded with a request for any additional comments or insights from the Policy Board members, with an acknowledgment of the need for further discussions with Defra.

7. ELM Update – delivery delays and pausing BPS (Richard Wordsworth & Claire Robinson)

Countryside Stewardship (CS) Update:

Claire provided an update on the Countryside Stewardship (CS) program. She explained that the policy board paper had been written when the CS application window was updated. Several issues were discussed. Firstly, this year marked the shift to an online application process for CS, necessitating accurate and updated maps prior to applying. Moreover, the transition from Higher Level Stewardship (HLS) to CS posed challenges since the Rural Payments Agency (RPA) needed to unlock or remove HLS parcels in the system for new CS parcels to be added. Technical programming issues added to the complexity. Claire emphasised the importance of a cultural shift, as late applications historically led to a year-long wait for the next application window. Flexibility from RPA was considered crucial in this regard. Despite these challenges, Claire noted that as of last week, there have been 6,000 CS applications, which was regarded as a success due to the increase in applications.

Sustainable Farming Incentive (SFI):

Claire shifted the discussion to the Sustainable Farming Incentive (SFI) program. In July, they were asked to nominate farmers for early application testing of the system. While RPA initially had 300 farmers on the list, at the meeting date, no farmers had been approached for testing. Claire highlighted that Defra's August announcement primarily introduced a registration system, and they had not yet seen a demo of the online application system. Claire also mentioned an expected announcement "late in the summer" outlining the content for 2024, which was anticipated to be similar to what was announced in January. This would be followed by a six-month development phase. Claire expressed concern about the limited development work observed on the single application system expected for SFI and CS next summer, raising concerns.

Comments from Policy Board Members:

- Andrew Clark commented on Defra's failure to deliver SFI and its impact on members. He highlighted the uncertainty regarding the recovery of funds as BPS was being phased out and the growing concerns over the lack of delivery, transparency, and confidence.
- David Exwood emphasised the challenges faced in recent months and called for a clear response to address the failures.
- Tom Bradshaw pointed out that they had given Defra multiple opportunities since 2020 to take a different approach and noted that very few members had received capital grants.
- The President raised two critical issues: lack of transparency and accessibility in the SFI program and the urgent need for 70% of land area to be engaged. She criticised the government's failure to deliver on environmental legislation without a means of recouping what was previously provided under the Common Agricultural Policy (CAP). She also highlighted the absence of an application deadline. The Board supported her proposal that a FOI option is explored to gain insight on Defra's funding plans.
- Richard Wordsworth mentioned that in October, RPA will write to every Basic Payment Scheme (BPS) claimant since 2020, providing an update on their eligibility for Delinked Payments that follow BPS and their likely reference amount on which these future direct payments will be based on.

Action: Hannah Harrison to prepare options for a Freedom of Information (FOI) request into ATP spending plans.

FOR INFORMATION ONLY:

8. ATP update (Richard Wordsworth)

There were no questions or comments regarding the updates.

9. BPS/Support schemes update (Richard Wordsworth)

There were no questions or comments regarding the updates.

10. Legal update (Lucy Ralph & Hannah Harrison)

There were no questions or comments regarding the updates.

AOB:

11. NFU policy development and British Farm Data Council principles (Helen Ferrier)

During the meeting, the board discussed various aspects related to farm data, focusing on the NFU's involvement with the British Farm Data Council principles. This is an update on the review of a previous paper on data, which had been discussed in March, where the British Farm Data Council's Data Governance principles had received the endorsement of the Policy Board.

Helen raised to the board the nature of the NFU's endorsement of these principles. The discussion emphasised the NFU's significant influence and leadership within the agricultural sector, highlighting that its endorsement is crucial for demonstrating the importance of these principles to farmers and growers. The primary goal is to establish a set of governance principles and associated certification system that will lead to companies acting more responsibly in the way they use farmers' data. In turn, this will support greater realisation of the benefits of data-driven tools for the sector.

Tom Bradshaw, while expressing full support for the principles, conveyed reservations about utilising the NFU's name to compel support from other entities. He clarified that he was comfortable with the NFU endorsing the principles but was reluctant to have it perceived as pressuring others to sign up.

Helen explained that numerous ongoing conversations were taking place with companies willing to sign up for the initiative. She highlighted that the NFU's endorsement was not intended to force compliance but was rather sought due to the NFU's respected position in the sector. The President highlighted the significance of supporting both the principles and the initiative for the NFU's membership.

Terry proposed and Policy Board agreed that the NFU follow the second option outlined in the paper, which involves the NFU supporting endorsement but being listed alongside all the other supportive organisations and not singled out. Tom proposed the NFU could issue a statement or press release at the appropriate time voicing its endorsement and that could be linked from the BFDC website.