

# Review of the Balance of Competences between the United Kingdom and the European Union

## Agriculture

## Evidence Submitted

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This document is a record of the evidence submitted to the Department for Environment, Food and Rural Affairs call for evidence on agriculture.

A report on this evidence can be found at:

[www.gov.uk/government/consultations/agriculture-report-review-of-the-balance-of-competences](http://www.gov.uk/government/consultations/agriculture-report-review-of-the-balance-of-competences)

The Report is part of the UK Government's Review of the Balance of Competences between the United Kingdom and the European Union.

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## Introduction and Questions

The Call for Evidence period ran from 21 October 2013 to 13 January 2014. We received over 250 responses. Of these, three quarters were submitted through the online questionnaire and the remainder were sent by email.

Respondents were asked to submit evidence in response to the questions below:

### General

1. Should the EU have competence for agriculture and plant health?

### Advantages and disadvantages

2. What evidence is there that the EU approach to agriculture:
  - i. benefits the UK national interest?
  - ii. disadvantages the UK national interest?

*When answering this question you may wish to consider factors such as:*

- the cost of the Common Agricultural Policy
- the EU's priorities for agriculture (for example in terms of market orientation) and the extent to which these align with UK priorities

3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.
4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?
5. What evidence is there that current competence over forestry policy:
  - i. benefits the UK national interest?
  - ii. disadvantages the UK national interest?

### Where should decisions be made?

6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.
7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:
  - i. benefits the UK national interest
  - ii. disadvantages the UK national interest?

## **The external dimension**

8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?

## **Single market and economic growth**

9. Considering the single Common Market Organisation:
- i. How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?
  - ii. How could they be improved?
10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?
11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?

## **Funding**

12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.

## **Future challenges and opportunities**

13. What future challenges and opportunities do you think will affect sectors discussed in this report?
14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?

## **Anything else?**

15. Are there any general points you wish to make which are not captured in any of the questions above?

## Evidence submissions

### AB Sugar

#### Introduction to AB Sugar

AB Sugar is a business segment of Associated British Foods plc (ABF) a diversified food, ingredients and retail group with 2013 sales of £13.3 billion and 113,000 employees in 47 countries. ABF has invested £2.1 billion globally in the last 3 years, and has a primary relationship with the UK Government through the Strategic Relationship Management (SRM) initiative, for which its sponsor departments are DEFRA, BIS and UKTI.

AB Sugar produces cane and beet sugar plus a wide range of associated products in 9 countries worldwide. It has invested £1.6 billion since 2005, of which over £340 million has been in Britain, much of which has been in renewable energy. The UK beet sugar industry is one of the most efficient sugar industries in Europe, makes an economic contribution of £1 billion/year and supports 13,000 jobs.

#### Q1. Should the EU have competence for agriculture and plant health?

The Balance of Competences Report on Agriculture re-states on page 10 the objectives of the CAP as set out in the Treaty of Rome:

- to increase agricultural productivity
- to ensure a fair standard of living for farmers
- to stabilise markets
- to assure supplies for consumers at reasonable prices

Set against these objectives, results in the sugar sector have been remarkably positive:

- over the last 30 years sugar beet productivity has increased by 60% (see Q 13/14 below).
- grower prices have been stable allowing them to make consistent investment decisions at farm level.
- the EU sugar market has been stable, in marked contrast to the extreme volatility of the world sugar market (see Annex 1 – EU reference price and world market price trends, July 2006 to April 2013).
- European sugar supplies from domestic production have been consistent and reliable for many years. The European Commission monitors and publishes European sugar prices through a Price Reporting Scheme, and also checks price transmission to consumers.

The EU sugar Common Market Organisation (CMO) has undergone major changes through successive negotiations of the CAP. Of particular significance was the 2006 reform of the sugar CMO which enabled the EU industry to rationalise and become more efficient. Surplus manufacturing capacity was cut in the drive for increased competitiveness<sup>1</sup> and the main sugar producing countries in the EU (including the UK) are now ranked among the best sugar industries globally. The UK industry reduced the number of processing factories to 4 (there were 17 in 1980 and this number has been progressively reduced as efficiencies have gained hold). Today the UK produces as much sugar as it did 30 years ago.

The recent (2013) reform of the Sugar CMO builds on the 2006 reform to increase the competitiveness of the EU sector still further. Sugar quotas will be abolished on 30 September 2017 and the sector will become substantially de-regulated from this date.

It is therefore AB Sugar's view that the UK's membership of the EU as far as the sugar sector is concerned has been broadly positive, and that sugar policy has been successfully and progressively amended without destabilising the industry. As the UK has not had full competence for agriculture for many decades it is difficult to evaluate the counterfactual, but the success of the EU's agricultural policy (with transparent monitoring of the changes over the years) argues strongly for the retention of EU competence in agriculture as far as sugar is concerned.

In this context we should also note that the 2014-20 CAP budget agreed in November 2013 is €52 bn/year or 0.5% of GDP, a cut in real terms of 13% (see Page 12 of the consultation paper). EU farm producer support is average globally (i.e. not excessive) in the OECD ranking, as shown on Page 18 of the consultation paper.

## **Q2. What evidence is there that the EU approach to agriculture:**

### **i) benefits the UK national interest?**

#### Internal

- As noted above, the EU's policy on sugar has been substantially amended over the years to increase competitiveness without major destabilisation of the sector. The policy framework has been resilient and open to change.
- The UK is a substantially urban nation where the needs and constraints of agriculture have not always been fully understood. Until recently, the UK Government's recognition of the importance of the food and agriculture industries for the economy has been less than fulsome. In the past there has often been a tendency to take these 'primary' industries for granted, with an underlying assumption that UK needs can be met primarily from imports. The current

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<sup>1</sup> Restructuring of the EU sugar industry, has led to the closure of 246 factories since 1990 – a 70% cut.

Government's change of view on this issue is welcome and a much needed fillip for the agriculture and food sectors.

- The UK has benefited from a greater element of food security than is likely to have been the case had the UK had exclusive control of agricultural policy. Again it is difficult to evaluate the counterfactual, but successive UK Governments have had a preference for a trade liberalising agenda which could have led to a decrease in overall food security. It is interesting to note that in paragraph 42 on page 13, food security is not mentioned as a "public benefit" which deserves support. We believe that food security is a substantial public benefit.
- UK growers and the processing industry have benefited greatly from the stability afforded by the CAP (see Q1 above and Q13/14 below).
- In the sugar sector it is worth emphasising that the interests of the poorest developing countries<sup>2</sup> have been successfully integrated into the CAP to the benefit of their economies and in line with UK development objectives.
- The UK agricultural industry (and this is certainly the case for the beet sugar industry) has developed valuable pan-European alliances, partnerships and market access to the benefit of the industry.

#### External

See Q8 below

#### **ii) Disadvantages the UK national interest?**

In the sugar sector, the table on page 22 has been presented as though the EU sugar CMO has been a major disadvantage for the UK national interest. This has not been the case and it is worth analysing in some detail why:

"A combination of sugar beet production quotas and high tariffs on cane imports mean EU prices have been consistently over 50% above world levels"

A significant and increasing level of cane sugar imports into the EU at a zero or low tariff has contributed to market and price stability. Trade concessions given to the ACP and LDC poorest developing countries, to the traditional exporters of certain EU Member States, and to the beneficiaries of Free Trade Agreements mean that sugar imports into the EU now average about 3.5 million tonnes per year – a 50% increase compared to 2005. As can be seen in Annex 1, EU prices have not been "consistently 50% above world market levels", and at times have been lower.

"EU food and drink manufacturers....have to pay around 35% more for the sugar that goes into their products" and the sugar regime "increases the cost of the weekly shopping basket for consumers by 1%"

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<sup>2</sup> Least Developed Countries (LDCs) and African Caribbean and Pacific (ACP) countries were awarded unrestricted, duty free access to the EU under the Everything But Arms (EBA) initiative and Economic Partnership Agreements respectively from 2009 onwards.

It is unfortunate that the source for these figures has not been cited, but they appear to have been based on a snapshot of prices in early 2013. EU market prices for sugar are shown in Annex 1. Between July 2006 and July 2010 European sugar prices fell by 20% (and by over 30% since 2005), in response to the 2006 sugar reform. While it is true that prices increased between 2011 and 2012 this was substantially caused by the world market strengthening over this period. European prices are now falling again. It is important to note that at times of lower commodity prices, consumer prices rarely go down with food processors/retailers preferring to take advantage of higher margins. It is therefore questionable whether an increase in the cost of the weekly shopping basket to the consumer has a proven link to the operation of the sugar CMO between 2010 and 2012. In this context it is worth noting that the House of Lords in their inquiry into the EU Sugar Regime<sup>3</sup> of September 2012 said “for several years following the last reform, the EU price went down as planned, but there was no similar decrease in the prices paid by the consumers at the supermarket till.”

The reduction in tariffs on sugar cane imports “is a necessary step if the EU is to retain two sources of sugar supply to the EU market”.

As shown above, the EU market already has two sources of supply – both 13 million tonnes beet sugar and 3.5 million tonnes of substantially tariff-reduced cane sugar imports. Furthermore, in the absence of a multilateral trade agreement through the WTO, the EU is currently negotiating a number of additional bilateral Free Trade Agreements which will increase concessionary imports still further.

Two sources of supply will “aid competitiveness and food security, while also ensuring a market for developing country suppliers”

As stated the EU market already has two sources of supply. Unfortunately, reducing import tariffs still further would not “ensure a market for developing country suppliers”. For the poorest developing countries, this would destroy their preferences. It would also undermine the development policy of both the EU and the UK. This point is well made in the report of 4 March 2012 of the Commonwealth Secretariat<sup>4</sup> “The impact of the EU’s Common Agricultural Policy on ACP Sugar Exporters.”

### **Q3. Do you think the UK’s ability to champion a competitive food and farming sector would benefit from more or less EU action?**

As identified in our answers to Q 1, 8, 9, 13, 14 the UK’s input to EU Member State discussions on internal and external policy gives a good balance to the UK’s ability to champion a competitive food and farming sector without risking destabilisation and the inability of sectors such as sugar to re-invest for the national good.

**Q4. – Q5. Not Answered**

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<sup>3</sup> House of Lords EU Committee report on the EU sugar regime, 2012/13.

<sup>4</sup> Commonwealth Secretariat report on the impact of the EU’s CAP on ACP sugar exporters, 2012.



**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

AB Sugar is particularly concerned about the European Commission's recent action to introduce a 2-year ban from December 2013 on the use of Neonicotinoid products on flowering crops as a 'precautionary measure'. This appears largely to be the result of pressure from the NGOs and there is a notable lack of evidence to support the ban. If this ban is extended beyond flowering crops to sugar beet with a similar lack of evidence, this would condemn the industry to substantially reduced yields and increasing costs at exactly the time when we are striving to raise competitiveness, increase the industry's output, and contribute to food security goals.

The UK national interest would be better served by the EU taking a risk management approach which assesses the risks and economic implications of a ban more thoroughly.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

Involvement in the decision-making process of the European Parliament ensures a degree of transparency and accountability which supplements the decision making process of the Council of Ministers.

**ii) disadvantages the UK national interest?**

The decision-making process between the Council and the European Parliament is complex and requires considerable effort and expense by the private sector to follow and to understand.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The UK benefits substantially from being part of a larger and therefore more significant trading bloc in both multilateral and bilateral trade negotiations. The combination of greater negotiating weight with the tempering effect of pre-negotiating discussions between Member States to determine the European Commission's negotiating stance acts to give a balanced and leading role to the EU in trade issues.

The UK has an important role to play in pre-negotiation discussions and its presence within the EU allows it both to leverage a trade liberalising agenda and to ensure that its own commitments are honoured. For example, in the sugar sector the EU as a whole has managed over the years to uphold the UK's commitment to the poorest

developing countries, while ensuring that the sugar beet sector is not destabilised, greatly to the benefit of the UK's national interest.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

As noted in Q1 above, the EU sugar CMO has undergone major changes through successive negotiations of the CAP without de-stabilising the sugar sector. This has allowed the UK sugar beet industry to invest in productivity gains through R & D and better agricultural and processing practices to meet the UK's needs. The UK has a fully competitive sugar market with significant imports of sugar from both cane (mainly from the ACP and LDC countries) and beet (from other EU countries).

**ii) How could they be improved?**

The 2013 reform of the Common Market Organisation will see sugar quotas disappear from September 2017. With this substantial de-regulation in place from 2017, the EU and the UK will have to ensure that the sugar beet industry can export freely to the world market. This will become increasingly important if further concessions are made to imports of sugar (both beet and cane) into the EU through Free Trade and other agreements.

**Q10.** Not Answered

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

It is essential that biofuel policy must be considered from the perspectives of energy supply, climate change and agriculture. There are a number of assertions within paragraph 68 which are also worth considering in detail:

“Demand for feedstocks used directly in biofuels production has dramatically increased over the last decade.”

This statement is inaccurate as far as the UK and EU are concerned. In the UK, the volume of biofuels on the market in 2012/2013<sup>5</sup> was 3% of total liquid fuel supplies - 97% was therefore from fossil fuels. In the EU the picture is similar. Just over 3% of European cereal production is currently used for biofuels<sup>6</sup>, and this produces an equivalent quantity of high protein animal feed. It should also be remembered that a major reason for replacing fossil fuels with biofuels is to reduce carbon emissions. In

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<sup>5</sup> <https://www.gov.uk/government/publications/renewable-transport-fuel-obligation-statistics-year-5-report-5>

<sup>6</sup> [http://ec.europa.eu/agriculture/cereals/balance-sheets/index\\_en.htm](http://ec.europa.eu/agriculture/cereals/balance-sheets/index_en.htm)

the UK this strategy has been successful – the average reduction in carbon emissions from biofuels on the UK market is now 70%<sup>7</sup>.

“There is widespread agreement that increased demand for biofuels has led to global crop prices being higher than they would otherwise have been...Recent modelling work shows that, over the period to 2020, projected wheat prices would be around 7% lower in the scenario where EU biofuels support is removed than in the baseline scenario.”

The modelling work referred to models only the gross price of the commodity and fails to take into account the net benefit arising from the co-product of EU wheat ethanol production, DDGS (dried distillers grains and soluble), which concentrates the protein content of the feed wheat and provides a valuable replacement for imported soy meal. This reduces the EU’s 70% import dependency on protein for animal feed which represents the equivalent of 20 million hectares cultivated outside the EU<sup>8</sup>. According to modelling done for the European Commission<sup>9</sup>, the increased production of DDGS reduces feed prices for dairy herds.

A study by energy consultancy Ecofys<sup>10</sup> (September 2013) shows that EU biofuels demand to 2010 only increased world grain prices by 1-2%, and would increase a further 1% to 2020 in the absence of a cap on crop based bioethanol. Any impact on food production is negligible since the commodity cost is a small fraction of the food price. Energy has a much stronger impact on food costs as shown by the World Bank<sup>11</sup> (May 2013) and the above Ecofys report.

“Biofuels support policies also have the potential to increase crop price volatility by discouraging crops from being diverted away from biofuels production to food markets in response to price signals.”

This statement, which is based on theoretical modelling, incorrectly implies that demand for feedstock for biofuels is inelastic, and any adjustment falls on the food and feed sectors. This is a significant incorrect assumption as it ignores:

- a. The inherent flexibility in meeting mandates in the UK (and in the USA).
- b. The economic effects of the price increase on biofuels producers and how they react in the market.

Obligated parties have flexibility on:

- i. How compliance with the mandate is split between bioethanol and biodiesel.

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<sup>7</sup> <https://www.gov.uk/government/publications/renewable-transport-fuel-obligation-statistics-year-6-report-1>

<sup>8</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2011-0026+0+DOC+PDF+V0//EN>

<sup>9</sup> [http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc\\_148289.pdf](http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc_148289.pdf)

<sup>10</sup> <http://www.ecofys.com/en/news/report-biofuels-play-minor-role-in-local-food-prices/>

<sup>11</sup> <http://www->

[wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2013/05/21/000158349\\_20130521131725/Rendered/PDF/WPS6455.pdf](http://wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2013/05/21/000158349_20130521131725/Rendered/PDF/WPS6455.pdf)

- ii. Feedstocks used to make the bio component.
- iii. Flexibility in meeting part of a year's compliance requirements by carrying over certificates from the previous compliance year.

Furthermore, rising feedstock prices will also cause biofuel producers to consider the short term profitability of continuing production, and can choose to cease production. This occurred during 2012 in Europe and the USA, and all without the need to modify mandates.

Additional demand supplied by a biofuels market provides agricultural producers with an economic stimulus to greater agricultural productivity in practice, leading to reduced market volatility. If this demand diminishes, crop-based production will fall as well, as farmers respond to market signals and volatility is likely to increase.

### **Economic growth and sustainability**

Investments, such as those made on the basis of the EU Renewable Energy Directive (RED), require the long term certainty envisaged at the outset and must not be subject to a U-turn such as that proposed by the European Commission's proposals<sup>12</sup> on indirect land use change in October 2012 which would retrospectively reduce the market size, and reduce economic growth (see "Introduction" above).

The RED incorporates mandated high sustainability standards which are a benchmark for the rest of the world for all agricultural products, irrespective of end-use. As agricultural producers do not differentiate their production on the basis of end-use, this has had the effect of raising the overall agricultural production standards of all EU biofuel feedstocks. The UK's Bioenergy Strategy also recognises that bioethanol provides 'a cost effective contribution to reduced emissions from transport'<sup>13</sup>.

It is therefore appropriate and essential that the UK establishes a biofuels trajectory to 2020 under the Renewable Transport Fuel Obligation (RTFO) beyond the current 4.75% volume limit as soon as possible, and recognises and supports the introduction of the higher blend of ethanol E10, to enable the UK to reach its own commitment of achieving a 10% energy in transport by 2020.

**Q12. – Q13.** Not Answered

### **Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

A competitive food and farming sector will face a number of significant challenges in the years ahead, notably:

- The need to increase food production (which effectively must mean yields, as land is limited) "while simultaneously reducing environmental impacts."

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<sup>12</sup> [http://ec.europa.eu/clima/policies/transport/fuel/docs/com\\_2012\\_595\\_en.pdf](http://ec.europa.eu/clima/policies/transport/fuel/docs/com_2012_595_en.pdf)

<sup>13</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/48337/5142-bioenergy-strategy-.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48337/5142-bioenergy-strategy-.pdf) Page 51

- Managing climate change
- Accommodating the food, fuel and other needs of a growing world population
- The increasing pressures of globalisation

It is not easy to believe that the UK would be better able to face all these challenges alone, without the partnership benefits of action at the EU level.

That said, the UK could make an impact at the local level on “sustainable intensification” (referred to on page 7) and the sugar industry provides an excellent example where this has been achieved by:

### **Increasing productivity**

Sugar beet productivity has increased by 60% since the 1980's (from c. 7 to 12 tonnes/hectare)<sup>14</sup>, significantly more than for any other major arable crop in Britain. Factors which have contributed to this success include:

- Targeted initiatives, where specific objectives have been agreed across the industry and driven through, including results monitoring and measurement
- A stable, self-funded and well directed R&D operation (see below)
- Effective farmer extension services

These efficiency gains have meant that 90,000 hectares of arable land previously needed to grow the UK crop have been released for alternative uses. UK sugar beet yields are now consistently in the top quartile of EU producers, and are still increasing at over 2%/year.<sup>13</sup>

### **Reducing inputs and costs**

It is sometimes suggested that productivity can only be improved at the expense of increased inputs and greater ‘intensification’, so placing a greater burden on the environment. However this is not the case. Over the same period of time as UK sugar beet yields have been driven up, inputs to the crop have been substantially reduced. For example, fertiliser application rates have been cut between 40% (nitrogen) and 73% (phosphate), and use of plant protection products by 60%.<sup>12</sup>

This has been made possible by a combination of targeted applied research and novel seed technology. The UK beet sugar industry invests over £1.8 million/year in applied research, development and industry education. This R&D programme is operated by the British Beet Research Organisation (BBRO) and co-funded by UK beet growers and British Sugar. Priorities for the programme are to increase productivity, reduce crop inputs and optimise the environmental benefits created by sugar beets inclusion in the arable crop rotation. Over the years results from BBRO research have contributed to the ‘double benefit’ of increasing crop yields while

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<sup>14</sup> UK beet sugar industry sustainability report, 2011.

reducing inputs. Thus the use of fertilisers and plant protection products has been tailored to crop requirements, reducing costs of production and benefiting the environment.

Seed technologies play an important role too. Seed varieties bred by leading seed suppliers are screened and evaluated by the National Institute of Agricultural Botany (NIAB) in conjunction with the BBRO against industry standards. The resulting annual performance ranking enables beet growers to select the beet varieties best suited for their individual circumstances.

Complementing this, speciality seed technology company Germain's has developed advanced systems for micro-applying fungicide and insecticide to individual seeds and their surrounding pellets. This has improved protection against sugar beet seedling and foliar diseases and has led to a reduction of over 90% in the amount of insecticide applied to the crop.

A similarly innovative approach is used in processing operations. Highly efficient combined heat and power (CHP) is used for generating electrical and heat energy, and British Sugar is committed to reducing energy consumption by 30% by 2020.

### **Cutting waste**

One of the keys to using resources more efficiently is to reduce waste. This is particularly relevant for food security as the most recent WRAP survey concludes that, despite recent improvements, almost one-fifth of all the food purchased in Britain (i.e. 7 million tonnes/year) is thrown away, at a cost of £12.5 billion/year. This creates a 'double failure' in which valuable resources are wasted, and then squandered food has to be dumped into landfill.

Again the UK beet sugar industry offers some ideas to address this. Across the industry a 'zero waste' culture is practiced, in which each production stage is optimised to capture and use raw materials. This is exemplified by the sustainable manufacturing model used at British Sugar's plants (Annex 2), which demonstrates how raw materials are transformed into valuable co-products. In addition to the 'traditional' co-products of topsoil, animal feed and liming products, a range of new products and business activities have also been added so converting sugar plants into 'integrated biorefineries'. These include: CHP power generation, renewable transport fuel, pharmaceuticals and tomato production.

Besides increasing the industry's economic contribution and efficiency, these initiatives have also driven out waste. Of the relatively small amount of waste which cannot be recovered, three-quarters is recycled. This leaves only a very small quantity sent to landfill, representing less than 0.1% of the products produced and only 0.02% of crop purchased.

**Q15.** Not Answered

## **Ackrill, Professor Robert**

**Division of Economics, Nottingham Business School, Nottingham Trent University**

### **Introduction**

This submission (broadly) follows the structure of the questions set out on pages 27 and 28 of the Call for Evidence published by DEFRA. My expertise lies mainly in analysis of the Common Agricultural Policy (CAP), thus my evidence focuses on this aspect of the agricultural policy sphere.

One aspect of the Balance of Competences Review (BoCR) that needs to be defined carefully is the notion of 'EU'. The 'EU' level of competence still involves member states, but their degree of individual policy autonomy is limited, compared with policy areas that are either independent of the EU entirely, or where the EU competence is designated as 'supporting'. That said, in the collective 'EU' context there remains scope for working with other member states to pursue national policy objectives. It is my personal opinion that the UK, under successive governments, has failed to recognise this point and utilise unofficial channels of negotiation to optimise its national interests within the collective EU context. As a full member state, it is not 'us and them', only 'us'; we do not have a relationship 'with' the EU, but with other countries and institutions 'in' the EU.

### **General**

Agriculture is a multi-faceted policy sphere. I believe the current designation, of shared competence, is not only appropriate, but necessary. Elements related to trade for example, necessarily fall under exclusive EU competence, as part of the Common Commercial Policy (CCP). Equally, many policies relating to agriculture that are not part of the CAP (such as taxation) are rightly a national competence.

### **Advantages and Disadvantages**

Successive CAP reforms have been in the general direction of liberalisation, of markets and trade. My reading of the academic literature on CAP reforms is that the common negotiation of those reforms, under the existing balance of competences, has resulted in some EU countries having to liberalise their own domestic agricultural markets much more than they wanted (see, for example, the analyses of the 1992 and 1999 CAP reforms presented in Ackrill, 2000). As such, this direction of travel of the CAP from its protectionist roots (as laid down in the founding principle or 'pillar' of that CAP, of Community Preference) is very much in line with UK policy preferences, for a more liberalised policy. The CAP is less liberalised than it could be; but the UK, working with other like-minded member states and the European Commission, has been able to move the policy in this liberalising direction.

The political reality of the EU is such that, given divergent national interests, this process has been slow – but it has also been inexorably liberalising. This shift is seen especially the case when there has been a shadow cast by GATT considerations, notably the Uruguay Round and the pressures that led to the 1992 CAP reform (Ackrill, 2000: 95-100, analyses the literature on how EU Agriculture Commissioner Ray MacSharry was (or, by some views, was not) able to use the GATT context to lever a significant reform of the CAP, in particular by putting pressure on the more recalcitrant member states to agree to this reform).

Would a UK agricultural policy, existing either in the context of the UK leaving the EU, or of the CAP being transferred to member states as a fully national competence, see spending on agriculture maintained? Policy and spending related to it are shaped by strong forces of path dependency (Ackrill, 2005; Ackrill and Kay, 2006; Kay and Ackrill, 2010). Moreover, policy options are influenced by external constraints, such as WTO trade rules. In short, whilst there will inevitably be national differences between the CAP and a ‘renationalised’ UK policy, many of the fundamentals will be similar. Moreover, any significant change to the design and operation of policy instruments would require different administrative processes and structures – which would also be costly to implement.

As for spending levels, where national discretion exists within the CAP the experiences of the last 20 or so years shows that, under the influence of HM Treasury, UK adoption of spending measures has been less than expected, judging the size of the UK, its agricultural sector and the rural economy against other member states. Balancing this is the argument that, as a net contributor to the EU Budget, the UK would see its contributions (gross and net) to the EU Budget fall, should the CAP be partly or entirely renationalised. That said, if we look at the position of HM Treasury on Pillar II (rural development) expenditures since 1999, we see evidence that suggests national agricultural spending would fall relative to spending on the CAP and thus, directly and indirectly, also to related upstream and downstream industries – regardless of any potential financial savings from a partial or total renationalisation of CAP.

This attitude of HM Treasury towards rural development spending is particularly telling, given that the ‘revealed preferences’ of the UK towards such measures is actually in favour of measures that promote wider environmental and rural goals. That is to say, given the flexibility already present which allows member states to choose policies from the rural development policy ‘menu’, UK choices have, in all the regions, been broadly towards instruments supporting those wider goals. Thus, without the CAP, plausible speculation about what a renationalised agricultural policy might look like is that HM Treasury might ensure budgetary factors dominate the wider policy preferences of the UK. It is important to recognise that this does not argue that the current policy instruments are the best way to deliver those policy goals; only that, under a renationalised CAP, the evidence suggests that spending on agriculture and the rural economy would most likely be less than currently.



## **Where Should Decisions be Made?**

I have used the term ‘renationalisation’ of the CAP several times. I believe this term is often misused. Specifically, what many people talk about when they say ‘renationalisation’ is the provision of national flexibility in applying policy measures agreed collectively at the ‘EU’ level. That, to me, is not renationalisation. I would argue this term refers to the determination of national policy instruments, not the national application of ‘EU’ policy instruments determined collectively. Thus, for example, an example of renationalisation would be if the current direct payments were abolished as a part of the CAP, with member states allowed to replace them with fully de-coupled (required to ensure trade within the SEM was not distorted) payments of whatever value they chose, paid on whatever basis they chose.

But should such renationalisation occur? I believe fundamental problems could arise with seeking to renationalise this most expensive element of the CAP. The first derives precisely from this cost. As I set out in my submission to the EU Budget report under the BoCR, the EU Budget and the transfers to and from each member state are no longer merely a way of financing EU policies, but have become policy objectives in their own right. This is an example of the path dependency referred to earlier. The second problem is that the Direct Payments are now more than just financial transfers to farmers. They embody greening and environmental dimensions, modulation of funds from Pillar I to Pillar II, under the latest CAP reform even reverse modulation from Pillar II to Pillar I.

This brings us back to another point made above – whether or not the current instruments are the best in delivering the policy goals. There is an argument that Pillar I Direct Payments are not the best instrument to deliver greening or other forms of environmental policy goal. On this see, notably, recent work by Alan Matthews, including his paper “Greening the CAP: the way forward” – available in many locations, for example: <http://ageconsearch.umn.edu/handle/135483>).

Moreover, as reported elsewhere in this part of the BoCR, there are also question-marks over whether the instruments under Pillar II are the best to deliver these policy goals. As a result, a key objective for the UK should be to continue to exploit the current balance of competences, to promote a welfare-enhancing reform of the available policy instruments, combined with a shift in funding between policy instruments, to better deliver a policy which delivers financial transfers best aligned with UK interests, both budgetary and policy. Only once this has been undertaken can any possible reduction in or removal of Direct Payments feasibly be discussed. As for how this could be done, work on a ‘Bond Scheme’ would represent a sound starting-point (see, notably, <http://alanswinbank.magix.net/#The Bond Scheme>).

## **Value for Money**

This brings us to the question of the Value for Money of CAP spending. The above discussion has suggested that (as analysed further in other contributions to the BoCR) there are policy instruments available that would better deliver on the policy

goals than those currently used, under both Pillar I and Pillar II. There are two points I wish to make here, though, that qualify this somewhat.

First, under the ‘Tinbergen Principle’, there should be (at least) as many policy instruments as there are policy goals or targets. As originally established, the CAP was dominated by price support, yet even if we just look at Article 39, there were multiple, possibly contradictory, policy objectives laid down for the CAP. We now have more policy objectives (as I look at below), but we also have far more policy instruments available under the CAP. The alignment of instruments and goals/objectives may not be perfect, but it is a lot better than previously. CAP reform is a slow, iterative, process, but working collectively under the current balance of competences, the UK has played a significant role in helping guide the CAP in this direction. This does not guarantee optimal value for money, but it does make it more likely that value for money has improved.

My second point concerns the concept of value for money. Under fiscal federalism, there are three broad categories of fiscal function: stabilisation, allocation and redistribution. Much CAP spending takes the form of ‘redistribution’. This raises a simple but crucial point – can the effectiveness of a redistributive policy best be judged (or judged at all) in terms of value for money? In one sense, that of transfer efficiency, value for money can be judged. Direct Payments deliver a higher percentage of fiscal transfers to their intended targets than did price support (Ackrill, 2000: 202, presents some simple calculations to show this. See also Ackrill *et al.*, 1997; 1998). More broadly, however, unlike Pillar II policy instruments for example, designed to deliver specific outputs (e.g. farm restructuring, environmental protection, and many others), Direct Payments have no such output designated for them. Thus I would argue it is inevitable that a value for money assessment of a policy instrument without clearly defined outputs (other than, possibly, transfer efficiency), will be found wanting. The problem here would thus not be the CAP and spending *per se* but, rather, then inappropriateness of the value for money criterion used to judge that spending.

### **The Objectives of the CAP**

Value for Money also requires consideration of the objectives of the CAP. Starting with Article 39, these objectives are rather vague, possibly out of date, and give no guidance at all to the appropriate level of spending required to deliver each objective. On the other hand, these objectives have not constrained policy-makers in their reforms of the CAP, nor of the development of further policy objectives. Increasingly, Treaty reforms have introduced more and more horizontal policy objectives across EU policy areas. One example, quoted in the DEFRA call for evidence, is the requirement that EU policies integrate environmental protection and sustainable development. The use of horizontal policy goals has helped deliver greater policy coherence across EU policies. Moreover, in the documentation surrounding successive CAP reforms, statements have been made about policy objectives for the CAP that also go beyond Article 39. Thus the number of agricultural policy objectives

has increased over the years, extending well beyond Article 39 to include other parts of the Treaty and CAP-related secondary legislation.

### **The External Dimension**

The UK benefits from the greater weight of the EU in international negotiations – in particular in terms of market access to third countries. The European Commission demonstrated during the GATT Uruguay Round negotiations (notably in the first Blair House Accord) that they were prepared to push the boundaries of their negotiating mandate to try to secure agreement. Specifically, when they negotiated separate agreements on domestic support, export subsidisation and market access, they exceed their mandate to deliver a more liberalising agreement than otherwise. Moreover, whilst some member states challenged this, the ‘renegotiations’ that led to the so-called Blair House II Agreement did not change this element of Blair House. Again, this is evidence that not only does EU membership deliver agreements that might well not be available to the UK independently, but that the European Commission has been working to a liberalising agenda that fits well with the national position and interests of the UK.

### **Biofuels**

There are deep divisions and disagreements over the possible impact of EU biofuels policy on commodity and food markets, reflected in a wide range of impact estimates. Whilst such differences exist globally and the estimated impacts vary widely, they are perhaps most prevalent in the EU. This can be attributed, partly, to very active development and environmental NGOs challenging EU policy. It also arises from the fact that, in order to achieve the biofuels mandates laid down in the 2009 Renewable Energy Directive (RED), considerable volumes of imported biofuels will be required.

This raises particular challenges in the context of the sustainability criteria set down in the RED, because it requires the monitoring of production and of long, complicated, supply chains. The UK, rightly, is proud of the fact that domestic biofuels production comes predominantly from non-food inputs. Further, 99% of biofuels used in the UK are certified as conforming to the sustainability criteria set out in the RED. The challenge is to limit the downsides from the (first generation) biofuels currently being imported, whilst production of advanced biofuels (including those derived from waste products) is expanded – a shift that will, in itself, reduce the downsides of biofuels.

Some consider the failure in 2013 to agree a reform of the RED and the related Fuel Quality Directive (FQD) a missed opportunity for the EU member states to deliver a rebalancing of biofuels policy away from agricultural food-based feedstocks towards non-food feedstocks. I believe this is a red herring: the RED and the FQD have, built into them already, a tightening of the rules on biofuel inputs that will see a reduction in the eligibility of food based feedstocks, the dates of which would only be brought forward slightly should the reform proposal for the RED and FQD ever be agreed.

I shall not, in this brief submission, attempt to analyse all of the work undertaken on the impacts of EU biofuels policies. Below are links to some of the studies. Some highlights, however, include the finding that impacts vary by market. Thus for example the EU market for vegetable oils, used to produce biodiesel, is affected more than other commodity markets (the EU, led by Germany, is the world's largest biodiesel producer). Moreover, the third of the studies below demonstrates how sensitive the estimated impacts can be to changes in the assumptions made when modelling biofuel policy impacts. Thus, comparing a model run that is essentially the same as that used in previous studies, but by changing key assumptions, the emissions performance of many biofuels is improved, partly through less damaging land-use changes arising from biofuels feedstock production.

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- Kay, A. and R. Ackrill (2010) Problems of composition, temporality and change in tracing the Common Agricultural Policy through time. *Journal of European Integration History*, 16(2), 123-141.

## Biofuels studies:

<http://www.eea.europa.eu/publications/eu-bioenergy-potential>

<http://www.iisd.org/publications/pub.aspx?id=2780>

<http://www.ebb->

[eu.org/studiesreports/GTAP%20Report%20ILUC%20Aug%2030%202013%20Final.pdf](http://www.ebb-eu.org/studiesreports/GTAP%20Report%20ILUC%20Aug%2030%202013%20Final.pdf)

<http://ideas.repec.org/p/ipt/iptwpa/jrc83936.html>

## **Agriculture and Horticulture Development Board (AHDB)**

### **Q1. Should the EU have competence for agriculture and plant health?**

Our view is that in order for the single market for plants and plant reproductive material (PRM) to function effectively EU competence is required to ensure broad harmonisation.

### **Q2. What evidence is there that the EU approach to Plant Health and PRM:**

#### **i) benefits the UK national interest?**

The creation of a single market within the EU has resulted in easier access to a larger number of potential customers for UK plant products. The EU competence has generally been effective at maintaining biosecurity and had benefitted the UK in some circumstance by pushing the border further from the UK i.e. point of entry was via another member state meaning risk was further from the UK. The existence of an overarching body, The Food and Veterinary Office (FVO), that can audit performance of plant health regulatory bodies provides a mechanisms for targeting inspections where it is obvious that there are failures occurring. This would be much more difficult to achieve between two independent countries. As well as a market for customers of UK plants it provides a degree of security and reduction in risk for businesses which need to import plant material into the UK

#### **ii) disadvantages the UK national interest?**

The UK has traditionally provided high quality seed to many countries around the world. However because of the problem of some MSs being unable to match the very high standards that the UK applies, the EU rules for seed potatoes are now harmonised at a lower (than UK) level. There is now no way of differentiating UK seed potatoes from that from other MSs. This lowering of UK's standards to harmonise with EU rules now makes it harder for the UK to export seed potatoes to some third countries like Egypt where standards are higher and previously akin to those adopted by the UK.

### **Q3. Not answered**

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

This is a very difficult question to answer with any degree of certainty and it is hard to quantify the overall benefits or costs of the risks. In some instances where breaches have occurred, national action in transgressor MS's may not have been sufficiently robust to minimise further risk to others. There is undeniably a benefit to being in the single market but it is impossible to state whether breaches of biosecurity have occurred as a result of the single market or whether they would have occurred anyway. Some alien introductions have occurred as a result of import of produce

from third countries other from member states and some others are transported naturally on the wind because of this no firm statement can be made in this regard.

**Q5. Not Answered**

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

This is an area where there is potential for the UK to improve biosecurity if the regulations and directives allow greater flexibility as to where and how they are applied. An example of improvement would be the current need for the UK to undertake inspections of citrus fruit imported to the UK even though there are no commercial hosts in the country and only serves to add cost to imports. If a regionalized approach to biosecurity implementation was adopted significant costs savings could be achieved without increased threat to the citrus industry in other MSs. This also applies to a range of pests and diseases on other plants and having a one size fits all policy is not efficient. It is important that the UK is able to take decisions on protecting the country from pests established elsewhere in the EU by the implementation of “Protected Zone status” for the UK a decision that needs to be taken quickly at the national level but supported at the EU level.

**Q7. Not Answered**

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU’s role in negotiating them help or hinder the UK national interest?**

The example of the seed potato standards being lowered (mentioned above Q2 ii a) has impacted on the UK in that it is more difficult to exploit the advantage it had within the European seed potato industry

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

In general the balance between providing a level playing field and flexibility to meet local need has been achieved.

**ii) How could they be improved?**

One of the major concerns within horticulture and potatoes is that the implementation of Directives can vary dramatically between member states as reflected by the numbers of interceptions recorded by each of the MSs plant health teams (Data available from FVO I believe). To some extent this reflects the volumes and sources

of material but even allowing for this there appear to be different levels of effectiveness. In order to biosecure the EU borders it is vital that adequate effort is applied at all points of entry to reduce the risk as far as is reasonably practicable. The borders are only as strong as the weakest link so ensuring good implementation all round is key.

The interpretation of Directives can also vary resulting in uneven implementation and potentially disadvantaging certain countries or giving an unfair advantage to others. It is felt that the UK interpretation and implementation is sometimes rather stringent resulting in additional costs or time to obtain certification etc. Whilst this might be the standard that everyone should reach other states have a different interpretation which whilst satisfying the directive enables them to operate with reduced cost or more quickly.

Outcome focused Regulations rather than Directives may be one way to diminish this issue although more prescriptive they have the benefit of establishing a flatter playing field. However, it is important that these are not overly prescriptive and an example of which would be the strict rules on seed labelling that dictate the font size, colours and logos that must be used.

Adopting (or continuing to adopt) a risk based approach to biosecurity issues around plant health is important to ensure that potential threats can be prioritised and appropriate action taken. This risk analysis should take account of regional variation in terms of crops to determine proportionate responses on a regional basis. Adopting an EU wide PRA structure using agreed standard assessment methodology would help to reflect the relative importance of P&D's in different member states and enable consistent and appropriate responses to be developed and implemented. This ties in with the adoption of an EU wide risk register to capture this information, as recently implemented within the UK, and would improve transparency and the exchange of useful intelligence between MSs. The European Plant Protection Organisation (EPPO) which operates throughout Europe (i.e. includes third countries) may have a role to play in this activity.

**Q10. - Q12.** Not Answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The current review of the Plant Health Regime, PRM and the whole Official Controls Package pose a number of issues to AHDB. Clearly the proposal is not yet fixed and there will be amendments over the next few months, however, some of the proposals as they stand will offer considerable challenges and costs to the ornamentals sector of horticulture and are unlikely to deliver any benefits. Specifically, the need for all PRM to be a certified variety, including all plants in the garden trade is unworkable since there are potentially hundreds of thousands of varieties that are currently traded at some level that would require going through the registration process. The cost of this would be prohibitive and result in many companies going out of business.

Conversely this review provides an opportunity to ensure that a regional approach to Plant Health issues can be adopted where appropriate and the ability to secure pest free protected zones rapidly and effectively is captured.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Each MS has a responsibility and interest in preventing the introduction and establishment of alien organisms and ensuring that PRM is of the highest standard both in terms of import and export and therefore needs to ensure that it polices its own territory. As part of the EU there is a responsibility to protect all MSs so the EU should take a role in ensuring that the implementation of regulations and directives is done to the required standard and applied fairly in each of the MSs. For trade with Third Countries international legislation set by the International Plant Protection Convention (IPPC) or the World Trade Organisation (WTO) will need to be complied with which is appropriate. It also follows that any EU or national legislation must comply with the IPPC and WTO. The current balance in main works and issues arise not so much with who has the competence but the way in which the Directives and Regulations are interpreted and implemented. Assuming the current review does not make any wholesale change in the legislation it should continue to function acceptably.

Q15. Are there any general points you wish to make which are not captured in any of the questions above?

There is a need to join up the area of Plant Health and PRM with the threat from non-native invasive species to ensure there is a coherent approach to all biosecurity issues throughout the EU.

## **Agricultural Biotechnology Council**

### **Agricultural Biotechnology Council (abc) response to Defra consultation on EU/UK balance of competences for agriculture and plant health**

The views expressed in this submission are those of abc - the umbrella organisation for the agricultural biotechnology industry in the UK. abc, comprising of six member companies, works with the food chain and research community to invest in a broad range of crop technologies – including conventional and advanced breeding techniques, such as GM. These are designed to promote the sustainable intensification of agriculture by tackling challenges such as pests, diseases and changing climatic conditions, whilst reducing water usage, greenhouse gas emissions and other inputs. The companies are BASF, Bayer, Dow, Monsanto, Pioneer (DuPont) and Syngenta.

This submission does not seek to replicate comments submitted by abc to previous consultations on the balance of competences, such the DECC and Defra



consultation which closed in August 2013. Nor does it seek to respond to questions that are not of direct relevance to agricultural biotechnology (marked 'n/a' in this response).

## **Executive Summary**

ABC's focus is on the promotion of innovative agricultural biotechnology and advanced breeding products. As such, this response is mainly concerned with on the impact of the balance of competences between the UK and EU concerning the GM regulatory framework.

The EU regulatory system for agricultural biotechnology is set up to be based on independent scientific evidence and assessment by the European Food and Safety Authority (EFSA). However, the system is vulnerable to undue and unnecessary political interference by Member States, and hence is not being properly implemented.

Consequently, GM crops spend an inordinate amount of time in the approvals chain, preventing UK and EU farmers from planting innovative and effective crops. This means that Britain, and the EU, are falling behind in terms of food security, and agricultural research, as countries such as China and Brazil set targets for greater proportions of their GDP to come from agricultural biotechnology.

### **Q1. Should the EU have competence for agriculture and plant health?**

- i. The current regulatory framework for GM crops is adequate, but only if rigorously applied, as the recent case over the recent approval of 1507 maize has shown (see para 2.c.iv). Higher political priority should therefore be given to increasing the efficient processing of applications. GM products should be put to vote without delay, recognising that any safety concerns associated with a product have already allayed with the scientific evaluation carried out by the European Food Safety Authority.
- ii. The Commission should also continue to seek a reasonable science-based path forward to resolve this gridlock, which is accepted by a majority of Member States, but ensures a freedom of choice for farmers.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest? See answer 2b below.**

**ii) disadvantages the UK national interest?**

- i. According to recent studies (<http://hffa.info/files/hffa-wp-3-2013.pdf>), a 1% increase in agricultural productivity in Europe means enough food to feed an extra 10 million people a year – unfortunately, the reverse is also true; any drop in productivity puts even more pressure on the rest of the world to produce our food. The current slowness of the EU regulatory process on GM means that

farmers are not accessing the best animal feed nor the progress in seeds and traits that non-EU farmers are able to access.

- ii. The current failure to properly implement the approval system for GM crops is a result of the political actions of certain Member States. This unequal and incomplete implementation has had, and continues to have, negative consequences for farmers, researchers and consumers in the UK. This disadvantages both the UK and the EU as a whole.
- iii. There is a significant time and resource investment required to develop a new GM crop; the cost of discovery, development, and authorisation of a new plant biotechnology trait introduced between 2008 and 2012 was \$136 million. The time from initiation of a discovery project to commercial launch is 13.1 years on average.<sup>15</sup> Companies therefore inevitably focus their investments in areas of the world with more predictable and workable approval systems. The implementation of the current approval system, which denies farmer access to most GM crops grown elsewhere in the world, puts European agriculture and science at a competitive disadvantage, as academics and investments move to those parts of the world more inclined to fostering innovation.
- iv. As a result, the UK is facing growing competition from countries like China and Brazil. China, for example, has a target for biotech revenues of between five and eight per cent of GDP by 2020<sup>16</sup>, and Brazil is reaping huge benefits from its positive and effective regulatory approval system, having been politically opposed to GM technology less than a decade ago.
- v. UK and European farmers are also being denied access to the economic and environmental benefits associated with the cultivation of biotech crops. Around the world, GM crops continue to grow in popularity with farmers, and figures released by the International Service for the Acquisition of Agri-biotech Applications (ISAAA) show that 17.3 million farmers now use biotechnology, up by 600,000 from 2011. Additionally, global adoption of GM crops reached 170.3 million hectares in 2012, an increase of 10 million hectares from the previous year.<sup>17</sup>

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<sup>15</sup> 'The cost and time involved in the discovery, development and authorisation of a new plant biotechnology derived trait', Phillips McDougall, 2011, [http://www.croplife.org/view\\_document.aspx?docId=3338](http://www.croplife.org/view_document.aspx?docId=3338)

<sup>16</sup> Biodesic 2011 Bioeconomy Update, BioDesic LLC, 2011 [www.biodesic.com/library/Biodesic\\_2011\\_Bioeconomy\\_Update.pdf](http://www.biodesic.com/library/Biodesic_2011_Bioeconomy_Update.pdf)

<sup>17</sup> ISAAA, Global Status of Commercialized Biotech/GM Crops: 2012, [www.isaaa.org](http://www.isaaa.org)

- vi. Recent research in the UK, commissioned by Farmers Weekly, found that 61% of British farmers would grow GM crops if it was legal to do so. Reduced environmental impact was voted the main reason for this.<sup>18</sup>
- vii. Additionally, a recent Swedish study provides further evidence that UK and EU farmers are being disadvantaged as a result of the poorly implemented regulatory system. This shows that European farmers could increase their annual revenues by 1 billion euros if they were allowed to cultivate GM crops such as maize, soybeans and sugar beet (of particular relevance to the UK).<sup>19</sup>
- viii. GM crops also have notable environmental benefits, which would allow UK farmers to deliver more food with a smaller environmental impact. In 2011 alone, the use of GM crops around the world meant that 473 million kg less pesticide and herbicide had to be sprayed, reducing CO2 emissions by 23.1 billion kg.<sup>20</sup>
- ix. In June 2013, the European Academies Science Advisory Council (EASAC) report *Planting the Future* found that: 'There is evidence that the EU is falling behind new international competitors in those applications, collectively termed crop genetic improvement technologies, for agricultural innovation. This will have implications for the EU science base, plant breeding capacity, farmers' income, competitiveness and growth as well as for food security, environment and the bioeconomy more broadly. It concludes that 'current legislation has slowed progress in the EU in developing new tools for a more sustainable and intensified innovative agriculture'.<sup>21</sup>
- x. Despite this, the current management and implementation of the existing regulations in this area has led to severe financial implications for the UK. This is most notable in the form of the delays suffered by the industry.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

- i. More EU action is required to fix the broken GM regulatory regime.
- ii. Since the current authorisation framework has been in place (2004), in any given year more GM applications have been submitted than authorisation decisions

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<sup>18</sup> <http://www.fwi.co.uk/arable/gm-crops/>

<sup>19</sup> Short cuts or the scenic route – What is the cost of refraining from using genetically modified crops in agriculture?, Swedish Finance Department, 2011  
[http://www.ems.expertgrupp.se/Uploads/Documents/EMS2011\\_3tillwebben.pdf](http://www.ems.expertgrupp.se/Uploads/Documents/EMS2011_3tillwebben.pdf)

<sup>20</sup> ISAAA, Global Status of Commercialized Biotech/GM Crops: 2012, [www.isaaa.org](http://www.isaaa.org)

<sup>21</sup> Planting the future: opportunities and challenges for using crop genetic improvement technologies for sustainable agriculture, EASAC, 2013 [www.easac.eu](http://www.easac.eu)

were made. This results in an ever-increasing backlog. Meanwhile GM products are being adopted at a rapidly increasing rate in many third countries which export their commodities to the EU.

- iii. There are 48 GM crop products currently authorised, with another 74 products in the authorisation system. Of those, 52 are undergoing assessment by EFSA, while 22 are awaiting Commission/Member State action. Unless the EU changes the pace of its approvals, the total number of products waiting can be expected to increase to over 100 in 2015.<sup>22</sup>
- iv. The recent case of 1507 maize developed by Dow-Pioneer is a good example. The crop was submitted into the EU Commission approvals pipeline *12 years ago*, yet it has required a European Court of Justice (ECJ) ruling on 26th September 2013 which found the Commission to be responsible for holding up the application for the crop. Three months later, a decision on regulatory approval for the crop is still pending.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products? N/A**

**Q5. Not Answered**

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

- i. Trade in commodities is by definition a global activity and one where regulations should be harmonised wherever possible and practical.
- ii. At present, new GM crops are approved for cultivation and/or import in most major cultivating/exporting (and importing) countries much faster than they are in the EU. This is despite industry efforts to meet applicable regulatory requirements in all key markets with functioning regulatory systems prior to commercialization of a new biotechnology product.
- iii. For instance, according to a recent report from the European Commission's agricultural directorate, the USA approves new GM crops on average in 24 months, compared to 47 months in the EU<sup>23</sup>. This leads to the situation where certain GM crops are fully approved in certain countries and not in others (so-called asynchronous authorisations).

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<sup>22</sup> 'Half a century of undue delays in the EU Approval of GM Products', EuropaBio, 2013, [www.europabio.org](http://www.europabio.org)

<sup>23</sup> Evaluation of the EU legislative framework in the field of cultivation of GMOs, DG SANCO, European Commission, 2011, [http://ec.europa.eu/food/food/biotechnology/evaluation/docs/gmo\\_cultivation\\_report\\_en.pdf](http://ec.europa.eu/food/food/biotechnology/evaluation/docs/gmo_cultivation_report_en.pdf)

- iv. Asynchronous authorizations, combined with importing countries maintaining “zero tolerance” for ‘recombinant-DNA’ GM products not yet authorised, results in the potential for major trade disruptions.
- v. In July 2011, the EU passed new legislation for animal feed, referred to as the ‘technical solution’. This allows GM material currently unauthorised in the European Union to make up to 0.1% of imports, provided it has been submitted to EFSA for review and been approved by one other food safety authority in another non-EU country. This was introduced to address the problem of asynchronous authorisations, whereby new GM traits are fully approved in certain countries and not in others.
- vi. Despite this, the zero tolerance policy remains for import shipments intended for food, and no ‘technical solution’ is in place. The result is that even if a trace amount of a GM crop that has not yet been approved by the EU is detected in a shipment of products intended for human consumption, the entire shipment is rejected at the EU’s border. Traders are therefore increasingly unwilling to risk contravening EU regulations, and this has, and will continue to have, significant impacts on the UK’s ability to import certain foodstuffs at a reasonable cost.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

As our response to the previous Defra-DECC balance of competences consultation (12<sup>th</sup> August 2013) indicates, abc believes the priority should be to ensure that the current regulatory system is properly adhered to without undue or unnecessary political interference from certain individual Member States.

**ii) disadvantages the UK national interest?** As above.

**Q8. – Q9.** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The current backlog in the EU approvals system for GMOs would take almost 15 years to clear at 2012 approval rates. A study published by the EU Commission in 2010 estimated that the overall cost to the economy of such disruptions could total nearly €10 billion. The costs in having GMOs approved in Europe has also been estimated at €7 – 10 million per event, predominantly due to the large number of studies which applicant companies have to present to European Food Safety Authority (EFSA).<sup>24</sup>

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<sup>24</sup> ‘GM Crops: Reaping the benefits, but not in Europe’, EuropaBio, 2011, [www.europabio.org](http://www.europabio.org)

This backlog, combined with the costs of the approvals process, and the fact that European farmers are not given the option of growing most GM crops, creates a blockage to the commercialisation and export of agricultural innovations by the UK research centres. It also contributes to rising food prices, and undermines the international competitiveness of UK and European farmers.

**Q11. – Q12.** Not Answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The global population is expanding rapidly – there are forecast to be 9 billion people on the planet by 2050, and critical resources such as land, water and energy will become scarcer. The challenge posed to the global food supply by climate change and the increasing population means that we need as many tools as possible to help us grow more food in a sustainable way.

Biotechnology is one of many ways we can improve yields while reducing the environmental footprint of agriculture, including through reduced spraying, cutting carbon emissions and conserving water. It is therefore imperative that the regulatory approvals process is properly applied and adhered to going forward, in order to allow UK and European farmers to benefit from agricultural biotechnology to respond to increasing demand whilst ensuring that the environmental impact is minimised.

Where food stuffs, such as animal protein in the form of soy, can be produced in a more effective and efficient way in countries outside the EU, the system of approving new traits coming from those countries should be streamlined to ensure the best use of natural capital and land use both within Europe and further afield. Current EU legislation and capacity is again not keeping up with the rapid pace of change (see Q3a for the problem of asynchronous approvals).

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The EU needs to ensure that current regulations are applied and adhered to. Future action to address this should be based on scientific evidence, with a full impact assessment to understand any consequences of such an action. Such a decision should be strategic and long-lasting, in order to deliver business confidence and certainty to UK farmers, innovators and investors.

**Q15.** Not Answered

## **Agricultural Industries Confederation (AIC)**

AIC is the UK's leading representational body for the agricultural supply industry. Representing companies involved in the manufacture and supply of fertilisers and animal feeds, the purchase and marketing of combinable crops and the supply of seeds, agrochemicals and feed materials to UK farmers. AIC represents both

private and farmer controlled businesses. The annual turnover of member businesses is approximately £7.5 billion.

As an overall comment, we believe that industry would be better equipped to handle the issues of today and in the future, with greater investment in science, its targeted application through technology, acceptance of the role of capable, skilled people and a policy review of environmental standards which better match varying levels of confidence in managing risk. This will require more regular reviews of legislation at EU and UK level to:

- i) More broadly assess the cumulative as well as individual effects of legislation,
- ii) Examine evidence of where legislation fails to drive innovative solutions which could otherwise produce more food, and at the same time achieve environmental protection
- iii) Consider opportunities for alternative policy drivers which could deliver multiple benefits beyond that which can be achieved by a so termed single-issue legislative approach.

AIC and its partners are in the process of preparing evidence on the threats of the current legislative approach on business interests, the sustainable intensification of agriculture, and the opportunities that lie beyond. The intention is that this will be finalised towards the end of this year.

#### **Q1. Should the EU have competence for agriculture and plant health?**

AIC continues to believe that the EU has a role in establishing a common framework for agriculture and plant health. This common framework is an imperative of the continued existence of a free market which AIC would strongly support the retention of.

It is clear however that the current system is some considerable distance from delivering this common framework and the level of micro-management of agricultural and plant health policy and enforcement does not reflect the diversity of agriculture across the EU, not only in terms of its size and technological uptake, but also its position within the wider rural environment and economy. The recent CAP negotiations have proved to indicate, through the Commission's approach to 'greening' that they do not recognise the level of diversity in agriculture across the EU and therefore establish legislation at a greater level of complexity and detail than is either necessary or appropriate.

Despite the above, we believe that the overall position on agriculture and its continuing role in and contribution to society, is better served from within a broadly based EU structure.

**Q2. Not Answered**

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples that illustrate your point.**

Would the UK's ability to champion a competitive food and farming sector benefit from more or less EU action?

UK farming is, structurally, very different to the EU average, particularly in terms of average farm size. This underpins a number of other fundamental differences in terms of productivity, use of technology, employment levels etc. From this point of view therefore the UK would see an overall beneficial effect from a promotional policy which supported the UK specifically. Furthermore the issue of modern technologies, best expressed in practice by GM, has seen that the UK's consistent policy of making judgements based on evidence and sound science, has put it at odds with many other Member States for whom the issue has been much more about preservation of traditional farming systems and political weakness.

Using the example of the Agri-Tech strategy, and particularly the focus on rebuilding a UK reputation for scientific excellence, it would seem this would have a more positive practical output at farm level if new technological advances could be delivered from within a national evaluation structure, albeit continuing to be underpinned by an EU wide scientific safety evaluation, based on scientific and technical, rather than political, principles.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The presence of the single market does not mean a complete abandonment of national competence in terms of plant health inspections at import points, although it is accepted that this, as with many other areas, has been under more severe financial pressure more recently and resource levels has been necessarily reduced.

AIC would not however support an argument that compromises in UK biosecurity have been as a result of the existence of the single market.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

From an agricultural perspective the main issue relates to the difference in structures between the sector at a UK level compared to other Member States. Recent expansion of the EU has only served to highlight these differences in terms of farm size, productivity, labour levels, private vs. public ownership and funding. This places the UK at a disadvantage in terms of finding natural political allies.

A different level of governance would therefore permit decision making to take a more proportionate account of the scientific evidence based approach and allow the UK agricultural sector access to products and techniques currently denied it and



which would allow it to much more effectively meet the challenges posed by Sustainable Intensification - simply the ability to produce more whilst impacting less.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament either benefits or disadvantages the UK national interest?**

The agricultural sector has only recent experience of the full involvement of the European Parliament in co-decision. Experience to date would suggest that the increased involvement of the Parliament has generally been to the disadvantage of the UK national interest. On issues such as GM, CAP and currently the review of legislation around plant health, plant reproductive material and official controls, the involvement of the Parliament can generally be classed as unsupportive of an evidence based sound science approach to agricultural legislation.

Furthermore the involvement of the Parliament is leading the Commission to draft proposals in such a way as to increase the number and scope of delegated acts. This approach seeks to limit the involvement of the Parliament but has the added effect of damaging the transparency of draft legislation and increasing the level of uncertainty in terms of its business and economic impact. A specific example relates to Article 39 of the current Commission proposals on plant reproductive material. The operation of an 'early movement' system for seed germination is vital for the UK seed industry. Whilst the Commission proposals indicate it is permitted in principle, the concern is that the detail within implementing legislation would make a system unworkable. This "two tier" approach to legislation does not aid simplicity for business.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

How do third country agreements and the EU's role in negotiating them help or hinder the UK national interest?

Clearly in light of earlier comments concerning the difference in structural position of the UK agricultural sector, third party negotiations conducted through the EU may not always align with UK priorities. This is particularly the case in areas such as higher levels of welfare and food quality which the UK operates but which are not replicated on an EU wide basis.

Returning also to the issue of acceptance of technology we have been concerned that some international discussions and agreements on aspects of legislation for GM's have not seen the EU play an active role because of the continued political antagonism towards GM that continues to be seen within the political arena of some Member States.

**Q9. Considering the single Common Market Organisation: i) How successful is the current CMO in striking the right balance between the goal of a level**

**playing field and the flexibility to meet local and national needs? ii) How could they be improved?**

Common market management measures are a good example of where the difference in approach between the UK and other EU Member States has had real effects. The approach offers insufficient flexibility at national level to introduce additional measures which go beyond an EU standard but which are not exclusive and do not conflict with the principles of the free movement of goods.

In recent years the Commission has moved away from micro management of the market and concentrated on establishing a framework policy. This has allowed a greater degree of certainty and continuity which has allowed for better business planning and has aided effective commercial market management and has allowed the market to react much more effectively to the market fundamentals rather than the artificial constraints or promotions which had previously been in the gift of Commission Market Management Committees.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Benefits to business come through the adoption of and adherence to common standards as it simplifies the process of shipping goods across national boundaries and therefore reduces the transactional costs. From an agricultural perspective the adoption of common standards can be of benefit in areas such as contaminants, mycotoxins and other food and feed safety aspects by improving the market access of products.

How the standards themselves are determined is often less advantageous with final decisions based much more on politics than scientific evidence.

**Q11. What evidence is there to show effect or lack of effect of EU biofuel support policies on agricultural commodity markets and food prices?**

The UK Treasury conducted a review to look at causes on price volatility following the increase in grain prices in 2008. It concluded that the main influences on those price levels had been fundamental market issues such as the increasing imbalance between supply and demand over the preceding years which had itself been largely influenced by low market prices and therefore reduced production. Further work conducted since then by German researchers has estimated the impact of EU biofuel policy on global grain prices has been less than 1%. Fundamental supply and demand issues remain the key drivers on price.

EU biofuel policy has had a positive impact on the level of EU vegetable protein through the availability of protein rich by-products such as rapeseed meal and DDGS from ethanol production. The current system of CAP support means that any reduction in the demand for biofuels will mean land is more likely to move out of

production rather than increasing food production unless on-farm margins make such a move attractive and financially appropriate.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

With a further review of the CAP having just been concluded it is clear that the enlarged EU has even more difficulty in delivering a package which justifies the “Common” aspect of CAP whilst delivering some of the domestic policy drivers such as sustainable intensification and at the same time delivering a competitive UK agricultural sector. Moves to increase the level of coupled support in some areas compared to the original proposals will have an impact on competitiveness.

One of the more significant factors however will be decisions taken at national level rather than EU, in-particular the decision taken by Defra to remove 12% of farmer support and place it into a more diverse rural pot whose scope goes beyond agricultural production alone. At the same time the diversion of funds in the opposite direction by many other Member States will exacerbate the competitive disadvantage to English producers.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in the report?**

Future reforms of the CAP will continue to be challenging if the UK Treasury retains its view of wanting support payments to cease whilst a majority of other Member States continue to push for a policy which supports a more extensive rural environment. The CAP is effectively already becoming a Rural Policy, but not common in nature. The UK risks becoming further marginalised in future reforms – to the detriment of UK agriculture.

The continued debate over the role of technology in agriculture further risks destabilising an effective R&D base in the UK and EU. This is already impacting companies’ interest in investing in the EU and continued reluctance to embrace technology threatens future investment in the crop protection and plant breeding sectors in particular. Alongside this the EU’s approach to a hazard rather than risk based approach to technology will also disengage those companies who currently invest in agricultural R&D. All of this threatens productivity and unless there is an agreement to devolve some of this decision making to the national level, the UK industry will be caught by these issues.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Framework standards should be agreed at international level with the primary aim of ensuring the free movement of goods and wherever possible there should be agreed

protocols on issues such as sampling and testing. Mutual recognition is also an issue which should be managed at this macro level.

Member States should have the flexibility to adapt detailed rules within a standard framework. In many ways this has been permitted in the CAP modulation exercise referred to in an earlier point. The fact that the outcome in that particular situation will disadvantage English producers is down to the decision making at national level - the principle behind establishing this level of national flexibility continues to be correct.

## **Alden, Laurey**

### **Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not have competence for Plant Reproductive Material intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation. It is not appropriate for UK gardeners to be regulated by the EU as if they were farmers. EU regulations should only apply to large-scale farming, seeds and plants for home-grown use should be controlled by UK laws."

**Q2. -Q15.** Not Answered

## **Allen, Andrew**

### **Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not they shouldn't make decisions about seeds (or as they refer to it Plant Reproductive Material) intended for gardeners and "allotmenters".

Agriculture in the UK (and the rest of the EU) is a major business and as such may need to be regulated but individuals such as myself with our small gardens and allotments are a completely different sector, and should not require regulation at the EU-level.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Not much

**ii) disadvantages the UK national interest?** When they lump gardeners in with agri-business quite a lot.

**Q3. – Q15.** Not answered

## Alvis Bros Ltd.

### **Q1. Should the EU have competence for agriculture and plant health?**

Only partial competence

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

Generally speaking there is a more positive attitude towards agriculture in Brussels than there is in Westminster/Whitehall.

Without EU influence over the last twenty years UK agriculture would undoubtedly be in a poorer state."

#### **ii) disadvantages the UK national interest?**

I don't think we are disadvantaged by the EU as much as we are disadvantaged by the UK interpretation and implementation of those rules

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

There is too much action from both EU and UK and much of it needs to be reduced. There are over one hundred examples in Richard McDonalds' recommendations, few of which, if any, have been implemented.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

As a company that regularly trades in Europe (we even run a Euro account) and other countries, I believe the benefit of access to the single market is greatly over exaggerated.

I am unable to comment on biosecurity.

**Q5. – Q7.** Not Answered

### **Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

As an exporter of 20% of our production we have benefited considerably from UK government assistance. I am unaware of the EU's role in facilitating this work.

### **Q9. Considering the single Common Market Organisation:**

- i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Being outside of the Monetary Union offsets many of the effects of flexibility in local markets

**ii) How could current arrangements be improved?**

By removing much of the regulation and bureaucracy.

**Q10. – Q15.** Not Answered

## Ames, Isobelle

**Q1. Should the EU have competence for agriculture and plant health?**

EU regulations should only apply to large scale farming. They should not be making decisions about seeds for gardeners. Home-garden plants and seeds should be a UK matter, not governed by strict EU-level regulations. We need to maintain heritage and conservation varieties.

**Q2 – Q15** Not Answered

## Andrew

**Q1. Should the EU have competence for agriculture and plant health?** No

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** None

**ii) disadvantages the UK national interest?**

By passing regulations that will restrict home gardeners and allotment holders to using only specific seed.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less

**Q4. – Q6.** Not Answered

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** I suppose it keeps them employed?

**ii) disadvantages the UK national interest?** Not Answered

**Q8.** Not Answered

**Q9. Considering the single Common Market Organisation:**

- i) **How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Based on the proposals re seeds, I would say. Totally unbalanced.

- ii) **How could current arrangements be improved?**

By removing GB from it

**Q10. – Q15.** Not Answered

## **Andrew 2**

### **Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

Marketing of plant reproductive material is regulated by a number of EU directives. These are consumer protection measures which set out the quality and identity requirements which seed and other plant reproductive material must meet before it may be marketed. The objectives include encouraging the breeding and uptake of improved varieties, assuring seed quality for safe, reliable and environmentally efficient food production, and facilitating international trade. The Directives also cover the marketing of ornamental plant material. In recent years simpler requirements have been agreed for conservation varieties and varieties with no intrinsic value for commercial crop production e.g. varieties intended for gardeners.

#### **ii) disadvantages the UK national interest?** Not Answered

**Q3. - Q15.** Not Answered

## **Andrews, Mike**

### **Q1. Should the EU have competence for agriculture and plant health?**

I am concerned about the Plant Reproductive Material consultation in European Parliament and the effect this will have on home growers and gardeners.

I think that gardeners should be able to buy, grow and swap varieties of seeds without the need for the seeds to be licensed.

It is also crucial that we maintain biodiversity and that plant material is not owned by large corporations.

**Q2. – Q15.** Not Answered

## Asda

### **About Asda**

At Asda we serve 19 million customers every week. We have more than 570 stores across the UK and over 180,000 dedicated Asda colleagues. We are committed to offering our customers high quality products at everyday low prices.

### **Asda and Agriculture**

Asda is committed to sourcing produce from within the UK, supporting the agricultural sector and meeting customer demand for more local food on our shelves. We work closely with thousands of UK farmers and growers through our FarmLink Programmes, supporting their businesses and ensuring the supply chain works in the interests of producers, Asda and our customers. We also have very strong relationships with food processors who support our business by adding value to our food, including through our Sustain and Save Exchange Programme which shares sustainability best practice between over 700 suppliers, and we regularly host 'Meet the Buyer' events across the UK to unearth new local suppliers.

Along with our parent company Walmart we are also accelerating our efforts to grow our food business in a more sustainable way; to help small and medium sized farms; to reduce the impact of agriculture on the land and sensitive ecosystems; and to bring our customers more affordable and higher quality food.

As well as our commitment to sourcing locally and regionally it is inevitable that in a business such as Asda we import agri-food product from outside the UK, including from a number of countries across the EU. For example, when a food product is out of season in the UK, we may be able to source it for our customers elsewhere in Europe. This enables us to offer a huge range of product lines to our customers at affordable prices twelve months of the year.

### **Balance of Competences between the UK and EU**

Given that Asda is sourcing very large volumes of agricultural produce from the UK and across the EU on behalf of our customers, the shared agriculture competences between the UK and EU are very relevant to the operation and sustainability of our business. Agriculture is a very important element of our supply chain and policies which assist the agricultural industry to prosper ultimately benefit Asda and our customers as well. Asda operates an Everyday Low Cost business model in which we seek to minimise our cost base and leverage our size to obtain the best possible deal for our customers. Therefore a benign, predictable and consistent regulatory environment has a significant impact on our ability to control our cost base.



Sourcing from more than one country creates the potential for various challenges for a food retailer, such as encountering differing standards in animal welfare, food safety and labelling; or hindrances to the free movement of goods through unilateral trading bans or levies. Dealing with 27 separate agricultural policies would pose a significant challenge to our business and would further complicate importing from outside the EU, as EU standards are internationally recognised and adhered to. Instead the EU has created a single trading area and a common agricultural policy across 27 Member States, which is very beneficial to businesses such as Asda. Although the EU has faced criticism for burdening the agriculture industry with bureaucracy, and national flexibility has led to some distortions, it has nevertheless provided the framework to create a large free trade area in which retailers can source agricultural goods produced to consistent high standards, while minimising their cost base.

Incidents such as Horsemeat have further highlighted the importance of ensuring the highest possible standards are applied across our supply chain, no matter the country of origin.

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### **Asda's response to the call for evidence questions**

*We have only answered the questions to which we have relevant views*

#### **Q1. Should the EU have competence for agriculture and plant health?**

Yes. Our customers want us to supply food products which are consistently safe, healthy, traceable, sustainable and at the best possible value. The EU has provided a political and administrative framework for proper scrutiny and implementation of agreed agriculture and plant health rules around issues such as chemical and animal medicines use, animal welfare, food labelling and product traceability, and ensures the free movement of goods across 27 Member States. This enables Asda to freely source goods across the EU with the assurance that agreed consistent standards are in place. The contamination of processed meat products with horsemeat also illustrated the complexity of a food supply chain that stretches across borders and the benefit of having a framework available to co-ordinate an international response.

#### **Q2. What evidence is there that the EU approach to agriculture benefits or disadvantages the UK national interest?**

Advantages - It is of paramount importance to the national interest that UK consumers have access to a safe and secure supply of food. Asda has 19 million customers each week and we are striving to deliver for them our promise of high quality products at everyday low prices. They want quality and value and the EU agriculture model has created a market where Asda, and other retailers, can freely access produce at competitive prices from 12 million farms in 27 countries and which is produced to agreed standards. Indeed 24% of the food eaten in the UK is

imported so having common standards enforced across the EU27 helps protect our customers and reduce business costs.

Annual CAP receipts of €4 billion into UK agriculture is also a significant factor in keeping down the cost of the food basket for consumers, particularly when many of our suppliers have invested in innovation and their processing facilities with support from EU funds. There are no cross border distortions within the EU such as levies and steps have been taken to ensure products imported from outside the EU adhere to equivalent standards. The EU also provides a mechanism for Member States to co-ordinate policy in response to important global issues including food security and climate change and provides a framework whereby support for the agriculture industry can be co-ordinated if, for example, an extreme weather event disrupts supply.

Disadvantages - Given the difference in circumstances across EU Members States politically and economically; and from an agricultural perspective in terms of climate, geography and soil types, EU agreements and policies tend to be compromise outcomes. This may not always fully serve the UK national interest and the opinion held by the UK Government. Equally, agricultural decision making may be influenced by politics when it is more appropriate to base decisions on evidence and science.

The EU is also often accused of burdening the agriculture sector with red tape and the decision making process can create uncertainty for our producers; for example, the most recently agreed CAP reform followed several years of negotiation during which producers were uncertain as to the level of future EU support their businesses would receive. This can deter investment. It will also be a hindrance to UK agriculture if other production areas in the world adopt more progressive policies than the EU; for example, rightly or wrongly other non-EU regions will press ahead with GM technology and EU agriculture must be careful not to be left behind.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action?**

As a food retailer Asda benefits from the free trade area and common standards created by the EU. Our customers benefit from the actions the EU takes to ensure; there is no disruption to free trade; that standards are enforced across the 27 countries; and that imports from outside the EU meet equivalent standards. Looking to the future, a sustainable intensification of agriculture and investment in innovation are required in response to climate change and food security concerns. Delivering this will require even more co-ordinated support from both the UK and EU.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Access to the single market is extremely important in enabling our business to deliver the choice and value sought by our customers. Concerns about biosecurity

should be addressed by ensuring sufficient biosecurity measures are in place for imports to the UK.

**Q5. Not Answered**

**Q6. How might the UK national interest be better served by action taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action?**

Whilst a 'level playing field' is in many ways the ideal scenario for a food retailer, there are examples where 'national flexibility' in the CAP can further assist the industry. For example, if Rural Development support is made available at UK or devolved level to further support the agri-food sector to invest in areas such as innovation, education, new entrants and production technology, then that will be to the benefit of our suppliers and ultimately our customers. However, on some occasions the UK has taken unilateral action to impose higher standards on, for example, animal welfare and this has created an additional cost burden for UK suppliers and placed them at a competitive disadvantage when compared to their European counterparts, as well as potentially increasing prices for consumers.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament benefits or disadvantages the UK national interest.**

The most recent CAP Reform was the first time that co-decision making was used in the EU. This has added another layer of complexity to the EU decision making process, but it also ensured the issues were thoroughly scrutinised and to some extent enhanced the transparency of EU decision making as MEP's regularly reported back to their constituencies on progress. There is no obvious evidence that this either benefited or disadvantaged the UK national interest.

**Q8. How do trade agreements with non-EU countries and the EU's role in negotiating them, help or hinder the UK national interest?**

Some of our most important agricultural products including cereals and dairy products are global commodities. Trade agreements are negotiated with alliances from other production regions, notably North America, South America and Australia/New Zealand. Given the scale of production in these regions, they are in powerful positions during trade negotiations and the combined scale of the EU27 is helpful in negotiating the best terms for both the EU and UK.

**Q9. How successful are current CMO arrangements in striking the right balance between a level playing field and the flexibility to meet local and national needs and how can they be improved?**

From a food retailers perspective it is best if high production standards are enforced across the EU whilst enabling the free movement of goods; and there is flexibility within the CAP to allow Member States to direct CAP support towards particular national needs.

**Q10. What evidence is there that access to EU markets and adherence to common standards benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Access to EU markets and adherence to common standards is our preferred scenario, benefitting our customers with greater choice and assurances about the quality of their food.

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector?**

The UK receives €4bn annually in CAP receipts which is a very significant support to the industry. The move away from coupled support has allowed farmers and growers more flexibility to produce for the market. As well as direct support to farmers, many of our processor suppliers have benefited from schemes such as the EU Processing and Marketing Grant. It is an ongoing challenge to minimise the distraction of red tape and allow producers to focus on producing for the marketplace.

**Q13. - Q14. What future challenges and opportunities will affect the sectors discussed and what is the right balance between Member State, EU and international levels to address these?**

The future opportunity is for the UK agri-food sector to sustainably intensify and supply quality food to a marketplace with a growing global population, concerned about climate change, food safety and the welfare of everyone in the supply chain. This includes producing high quality and high value products, such as dairy and cheese, which are in increasing demand from emerging markets across the globe.

There are also international policy differences on issues, such as GM and farm subsidies, and the challenge will be for the UK and EU to secure agreements which will be to the benefit of UK consumers and the supply chain.

**Summary**

-Agriculture is a critical part of Asda's supply and we encourage policies at UK and EU level which assist the agricultural industry to innovate and grow.

-While EU agricultural policies are based on compromise and therefore don't always reflect fully the wishes of the UK agricultural sector, nevertheless our 18 million customers benefit from the free trade of goods and the harmonisation of standards provided by an EU of 27 Member States. The current balance of competences between the UK and EU is much better than a scenario where each country in Europe had its own agricultural policy.

-The EU provides a political framework where solutions to major issues can be analysed and solutions developed and implemented on major global challenges such as water scarcity, food security and carbon management.

-The EU is a more powerful voice in international trade discussions than individual Member States.

**Q15.** Not Answered

## **Baker, Jonathan**

### **Q1. Should the EU have competence for agriculture and plant health?**

The plant health issues are evidence enough that this does not work - the balance between free trade and sensible bio-security is a must that is lacking.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Not much.

**ii) disadvantages the UK national interest?**

Being self-sufficient as the EU is one thing but to achieve that it forces through subsidy the growing of crops and animal production that suits the EU not the UK.

There is then the support for new EU states with very poor agricultural practice and cheaper labour costs that threaten supply to UK and UK farmers.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The move to local supply and sourcing of food stocks is something that is not aided by EU.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The free market is valuable but should not be at the behest of bio-security. There is no reason why plant health should not be on the same level of importance and human or animal health however the lack of common sense bio-security with the examples of *Chalara fraxinea* and *phytophthora* are obvious.

### **Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

The overall idea of free trade and less restriction on timber exports and the funding to support establishment programmes.

**ii) disadvantages the UK national interest?**

Current forestry policy in terms of sustainability on an European scale is a common interest however the funding elements that give no long term continuity in terms of grant aid do not aid forest management on the local scale. Also the small amount of land occupied by forestry in the UK compared to many EU countries does not benefit

the support this country needs to increase timber production and forest areas for the multi-benefits forest provide

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

In terms of plant health and bio-security the decisions should be at international level but also at national level where there is a threat of importing disease - national level should on proper grounds be able to veto imports on this basis.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** Not much.

**ii) disadvantages the UK national interest?**

The decisions made do not necessarily benefit the individual nations while common areas and policies maybe fine there must be room, within reason to accommodate the needs of individual nations.

**Q8.** Not Answered

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Level playing field tends to override local and national needs.

**ii) How could current arrangements be improved?**

More consideration for local and national needs and requirements. Policies do exist that take into account geographical and climatic difference for example with the PEFC forest policy so it can be done.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Access to imports is useful and some quality plant stock is produced within EU countries that is better than material available in UK but not at the cost of plant health and bio-security.

**Q11. - Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I have commented on areas mainly concerning forestry and the forest industry - other areas I have not commented on as I do not feel I have the experience.

## **Barbier, Jonathan**

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes, but not to the extent of regulating natural or open pollinated varieties of seed

**Q2. – Q14.** Not Answered

### **Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Garden plants and garden seeds should NOT be covered by EU regulation, but instead controlled by UK laws.

## **Barnett, Sarah**

### **Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for Plant Reproductive Material intended for gardeners.

Although Agriculture in the UK is a vast business sector, individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation."

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** I don't know

**ii) disadvantages the UK national interest?**

It will limit my individual gardening home-growing choices

**Q3. – Q15.** Not Answered

## **Barrs, Kathie**

### **Q1. Should the EU have competence for agriculture and plant health?**

No! It is utterly inappropriate for gardeners to be included in the same regulation as farmers and commercial growers. Talk about a sledge hammer to crack a nut! This is precisely why the EU has acquired such a bad name: its inability to distinguish between the needs of different groups and push through blanket legislation.

**Q2. – Q15.** Not Answered

## Barrs, Tony

### **Q1. Should the EU have competence for agriculture and plant health?**

To have blanket regulation covering commercial growers and farmers, and the smallest home gardener here in the UK is crazy. The needs of someone with an allotment are vastly different from the farmer working a huge cereal farm. This legislation may be necessary in some realm of the world of seeds but there needs to be discrimination and common sense applied here: leave the small home gardener with the superb range of choices currently available - who is that going to hurt?  
Thank you!

**Q2. – Q15.** Not answered

## Bliss, Sam Frazer

### **Q1. Should the EU have competence for agriculture and plant health?**

No. EU regulations should only apply to large-scale farming, if that. Seeds and plants for home-garden and market-garden use should be controlled by UK laws, not EU rules designed for big farmers.

Small-scale and independent seed merchants should be permitted to produce and sell amateur, heritage and open pollinated (OP) seed varieties, without reservation, whether or not they are listed on any 'approved' EU register or database. This will promote agricultural and horticultural biodiversity that will help us as a nation to cope with new pests and diseases, climate change, etc, while also providing an endless variation in crop and plant varieties that will give us increased competitiveness in the global food market.

Market Gardeners and other small-scale producers of fruit, vegetables, nuts, herbs and spices etc should be allowed to sell crop varieties regardless of whether or not they are listed on an 'approved' EU register or database. This will allow them to produce and develop rare, interesting and unique crop varieties (whether amateur, heritage or open pollinated) that will give them an economic and entrepreneurial edge in markets both domestically and abroad. Doing this will also strengthen our food security as a nation.

I write this as an experienced Horticulturist with an enthusiasm for amateur and heritage seed varieties; as the son of a farmer, and as an aspiring market gardener."

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

I don't really see any, personally speaking, beyond the funding for Higher Level Stewardship and other similar grants that promote the creation of mixed native hedgerows, woodlands, and other biodiversity-increasing and nature conserving



measures. Our wildlife is a national treasure that must be preserved as much as possible, and any funding such as HLS that encourages farmers and landowners to preserve it and promote its continued existence can only be a good thing.

**ii) disadvantages the UK national interest?**

The impending EU law on Plant Reproductive Materials will severely restrict the number of varieties of plants and crop varieties that can be grown in this country. If passed, this will inevitably reduce agricultural and horticultural biodiversity, destroying much of the UK's national heritage in the form of long-grown seed varieties such as the Victorian Purple Podded Pea and the Hero of Lockinge Melon. It will drastically curtail our competitiveness in the domestic and foreign markets in the agricultural and horticultural sectors by preventing small-scale entrepreneurs from selling rare and unique varieties, whether as seeds or as harvested produce, and they will also be prevented by law from developing new and interesting varieties to sell or export, because they won't be able to afford to register them with the relevant EU agency. In this way the EU approach to agriculture stunts a nation of entrepreneurial independent farmers, market gardeners and home gardeners.

Companies such as the Real Seed Company, who specialise in heritage and amateur seed varieties and are much beloved by home gardeners, will no longer be able to operate and will be forced to cease trading. Other independent seed companies, seed banks and the farmers and gardeners who buy from them and grow seed for them will also be forced out of business, as a direct result of the EU approach to agriculture."

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

I think it would benefit from less EU action, for the reasons mentioned in Question 7 above.

I also wish to state that for the past few years I have been working as a self-employed gardener and have been studying agriculture and horticulture in my own time. I have a passion for working on the land and aspire to set up a market farm, specialising in traditional varieties of fruits and vegetables such as Nottingham Medlars; Covent Garden Beetroot; Blue Banana Winter Squash; melons such as Eden's Gem and Prescott Fond Blanc; Red Elephant and Dragon Purple carrots; and so on. I also aspire to specialise in crops that are newer to the British Isles such as Quinoa, Amaranth, Oca, Yacon, Honeyberries, Chilean Guava and more.

If the EU law on Plant Reproductive Materials passes, I will not be able to do this; I will lose any competitive edge that I had with large scale farmers because the majority of the above will likely not get registered; it is mostly produced by home gardeners and small scale market farmers, who will not be able to afford to register them and stay in business. I won't be able to fulfil my ambition, and neither will countless others across the country who share similar goals.

The point I'm trying to make can be summarised thus: less EU action will benefit our farming sector by allowing it to diversify and to be more competitive both domestically and internationally as a result.

**Q4. – Q15.** Not Answered

## **Boden, Clive**

### **Q1. Should the EU have competence for agriculture and plant health?**

I wish the UK could remain independent in respect of its own plant laws.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

None either for small growers or for gardeners. Probably not for large business either, as I avoid their produce. I grow my own vegetable to avoid having to eat foodstuffs grown for longer shelf life, uniformity and cheapness.

#### **ii) disadvantages the UK national interest?**

EU agribusiness rewards the cheapest producer, not the grower making food with the best flavour etc. The UK is not a cheap country to live in, so costs are higher than e.g. Spain, therefore Spanish lettuce for example will be cheaper than UK. Nevertheless UK produced vegetables will be better suited to UK eating.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Is competitive "cheaper"? I have no experience in this area.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The benefits do not outweigh any risks. Biodiversity increases the security of our food supply lest disease should afflict a crop. If the EU (linked with Monsanto and their ilk) dictate and severely limit what can be supplied to growers biodiversity will be eradicated. The proposed new legislation includes small growers like me, and restricting the wide diversity of seeds I can choose from diminishes the genetic pool. Also if you look in e.g. Sutton's seed catalogue, F1 hybrids comprise the major part of their stock and these do not breed true, so decent pure lines of foodstuffs are fizzling out. Please leave small growers and gardeners out of the legislation!

**Q5.** Not Answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I would prefer all these decisions to be taken at as local a level as possible and without commercial pressure from supranational seed and plant suppliers.

**Q7. – Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

It seems that from the Department for Rural Affairs, this review is not pitched well for rural folk, who usually lack representation and political awareness. How can "little people" have their voice heard? The average rural man wants to grow his food and a bit extra for trading - maybe even has a smallholding. He wants to be able to choose what seeds and plants he buys, and to grow from his own saved seed if possible. He would like the Big Guys to defend his free choices.

## Bothwell Beekeepers

**Q1. Should the EU have competence for agriculture and plant health?**

NO. The EU should not have competence for Plant Reproductive Material intended for gardeners. The wide range of plants currently available within private gardens are crucial to the survival of the honeybee. We cannot afford to restrict the variety of pollens to which honeybees and other pollinators have access.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation."

**Q2. – Q4.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

At a national level, taking account the regional requirements within our nation.

**Q7. – Q15.** Not Answered

## Bourke, Fidelma

**Q1. Should the EU have competence for agriculture and plant health?**

The home gardener has different seeds and plants requirements are different to those used in large scale farming, therefore UK garden seeds should only be controlled by UK laws, not EU law.

**Q2. – Q15.** Not Answered

## **Bourke, Kathleen**

### **Q1. Should the EU have competence for agriculture and plant health?**

It is not right that plants and seeds used by UK gardeners should be controlled in the same way as farmers' plant material. The gardeners' criterion is entirely different, often growing a handful of plants for their unique flavour or colour, plants that would, obviously, be economically non-viable for farmers.

It would be a catastrophe if these plants, that have sometimes taken painstaking years of breeding, were lost on an EU whim.

Also the decision of what is suitable for an individual country should be made by that country themselves, because they are aware of the benefits and problems incurred by plants grown in their own area."

**Q2. – Q15.** Not Answered

## **Bourne, Lesley**

### **Q1. Should the EU have competence for agriculture and plant health?**

EU regulations should only apply to large scale commercial enterprises and farming. Seeds and plants for home gardeners have completely different requirements and do not need such stringent regulation. They should therefore be controlled by UK law only not EU.

**Q2. - Q15.** Not Answered

## **Bowden House Community**

### **Q1. Should the EU have competence for agriculture and plant health?**

It could offer guidance and draw on the resources it has for scientific study, but it should not draw up laws which then have to be adhered to in countries as diverse as are the countries of the EU

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

Very little. Farming in each of the EU countries is so varied. Each country needs to be able to make its own laws and recommendations. It is clear that farming has become increasingly difficult for small to medium farms in the UK. Only mega business has a chance of survival. Small family farms are going under every day.

**ii) disadvantages the UK national interest?** Not Answered

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.** Definitely less EU action.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

We import huge quantities of food from other countries of the EU. Control of important issues such as control over the use of genetically modified crops and the influence of multinationals is taken right out of our hands. This is leading to very negative consequences, where the will of our own people is simply being disregarded in the name of EU law.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Decisions should be taken at a regional and national level and not at EU level. We have the governmental structures in place to make laws at a national level, and other governmental bodies who can advise at regional levels. We do not need the EU to interfere with the delicate balances which keep our agriculture healthy and functioning to the best level.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

The balance of decision making should clearly be with the UK and with our own agricultural organisations since the EU laws are so insane.

**ii) disadvantages the UK national interest?**

I am filling this consultation document in primarily because I am appalled at what is threatening to become law as regards the production, development and sale of seeds. We are a country of gardeners with a long tradition of people growing their own food. The needs of the gardener are very different from those of big agricultural concerns. I would even question whether the proposed EU laws serve the smaller or organic farmers. They certainly will not serve home gardeners one tiny bit. It is a complete disaster if they come into force. Home produced vegetables are already a significant part of some people's diet. They are part of our Gross National Product, if not in actual measurable money, in what they represent as a significant part of some families "income". Not to mention the Gross National Happiness. Gardening is the best stress buster of all. Do not take our long treasured varieties from us. Gardeners

need varieties which crop over a long period; agriculture needs it to ripen all at once for ease of harvesting. Gardeners love tall peas, they take up less room and produce more; agriculture favours the smaller varieties. And so on and so on and so on. I feel as if my lifetime's heritage is at risk. The treasured seed of many generations, the link with the past; the richness of the genetic pool. My annual pleasure of browsing through next year's catalogue, not to mention the joy of the harvest, is being threatened by a faceless bureaucracy who has little sympathy with ordinary people. Faceless, but not nameless. This is actually the stuff which could be the last straw, the issue that could topple those who sit in ivory towers and dictate laws with little comprehension of those who have to live under them.

**Q8. - Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I am filling in this consultation form because the issue of regulation of our seeds is of such primary importance. This is not my medium. I am a gardener. I with other members of this community endeavour to produce food for thirty one adults and 16 children on our few acres. We provide a significant proportion of our own vegetable needs. This is a matter of survival. I am filled with righteous indignation that these laws are being drafted supposedly in our name. I pray that our own government and agricultural organisations will have a great deal more sense and sensitivity than it appears the EU bureaucrats do.

**Boyce, Carol**

**Q1. Should the EU have competence for agriculture and plant health?**

The UK govt should determine regulations for agriculture and plant health in the UK. However if this is not possible then the EU should ONLY have competence for farmers - and the UK govt should set its own regulations for gardeners since their needs are very different. The UK system currently works well - why does it need to be changed?

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

Any approach which favour multi-national farmers at the expense of small family farmers does not benefit the UK national interest. We are a small country with varied needs that can be met adequately by supporting small farmers and protecting biodiversity.

**ii) disadvantages the UK national interest?**

The focus on multi-national farming disadvantages the small farmer and consequently UK farming overall.

**Q3.** Not Answered

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

There is no risk to biosecurity by the free trade in plant products unless those products have been genetically modified. The EU should enforce the precautionary principle and ban the exchange/sale and growth of GMOs until adequate research has been done - long terms studies and human evaluations.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Regional and national governance is always better since the people know the issues and are elected by the public they serve.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

There is no evidence that I am aware of.

**ii) disadvantages the UK national interest?**

Decisions made in the EU parliament will always risk disadvantaging the UK since the decisions attempt to regulate very different countries with very different needs within the EU. Each country should be allowed to regulate its own affairs.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Negotiating outside of the EU on behalf of all EU countries could be beneficial if each country is allowed within that to regulate its own affairs.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

The "level playing field" is counterproductive to local and national needs.

**ii) How could current arrangements be improved?**

Each country to regulate its own agriculture - the EU interface with markets outside the EU.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

There is a misconception that overall regulation improves things - in the main these regulations are only necessary to prevent multi-national farming from producing harmful produce. Small family farmers have produced healthy produce for generations. Markets outside the EU also know this - having common standards that penalize small farmers hinders UK consumers and businesses domestically and abroad.

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

When the funding goes directly to small farmers it is helpful.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The push for more GMOs will threaten the future of farming and is not necessary - we can already feed ourselves if we use tried and tested farming techniques.

Strict and expensive regulation will deprive both small farmers and gardeners of access to biodiversity - adding further risk to food security.

**Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I cannot stress enough how strongly I feel about the potential for seed restriction to gardeners and small family farmers whose needs are entirely different to those of multi-national farming on a large scale. It deprives gardeners at a time when people need to feed themselves for financial and health reasons and risks future biodiversity which has the potential to risk the future of food production itself. GMO food is not necessary and what limited studies there have been has revealed devastating health consequences. I want to choose what I eat.

## **British Association for Shooting and Conservation**

**Q1. – Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**



We agree that Forestry should remain a Member State competency. The current system works very well and there is no benefit from changing.

## **British Egg Industry Council**

### **Q1. Should the EU have competence for agriculture and plant health?**

Since the UK joined the European Economic Community (as it then was) the UK Egg Industry has supported a level playing field for egg producers across the EU.

The question of whether the EU should have competence for agriculture and plant health is a political one. In the view of BEIC there would be advantages in bringing home powers currently held in Brussels provided that agricultural issues were given a high enough priority by the UK Government if such powers were repatriated.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

The EU has shown a willingness to afford some measure of protection to agricultural interests which is based on the premise that the EU model of production incorporating as it does the highest standards of animal welfare, food safety and environmental protection is deserving of recognition.

#### **ii) disadvantages the UK national interest?**

At times we have felt that the EU approach has been predicated on the slowest member state. Whilst this is perhaps inevitable in a 'Club' of nations it does not advance the UK national interest necessarily.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

We believe that the UK egg sector would benefit from the compulsory labelling of egg products in the same way as is applied to shell eggs. This should be rolled out across the EU.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

### **Q5. What evidence is there that the current competence over forestry policy:**

#### **i) benefits the UK national interest?**

#### **ii) disadvantages the UK national interest?**

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Without concrete proposals it is hard to comment on this.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

The UK appears to be reasonably successful in gaining decisions favourable to its interests. However, this is more a reflection on the alliances natural to such decision making rather than its own lobbying per se.

**ii) disadvantages the UK national interest?**

Please see above.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The UK egg sector has very strong views on the desirability of concluding free trade agreements with a variety of countries or trade groups. Agreements with the USA, Mercosur, Ukraine, India often seem to be based on the assumption that free trade is naturally good for all parties. However, in the UK where the costs of egg production are a third higher than those in the USA or Brazil this is a nonsense. In this example free trade in agricultural produce merely serves to give a huge advantage to the third countries which have little or zero standards in animal welfare, food safety and environmental protection. This is particularly so in egg products. The real and present threat is that the UK could lose a substantial portion of its egg production that goes into egg products as there would be cheaper third country imports to be had. This is why it is important to obtain country of origin and method of production labelling for egg products.

The UK has been less willing to afford recognition to the importance of its agricultural sectors than it might have been. In some cases the EU has been more helpful.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

The current arrangements seem reasonably successful. However, a level playing field must always be made flatter.

**ii) How could current arrangements be improved?**

Please see above.

**Q10. – Q12. Not Answered**

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The costs of egg production in the EU are such that any reduction in tariffs will result in a further deterioration in competitiveness. The policy makers need to address seriously the question of reciprocity in animal welfare, food safety and environmental protection which current moves towards free trade shine a light on. We feel it is morally perverse to mandate such levels in the UK but then to allow in eggs and egg products produced in third countries to much lower standards. If we are to continue to possess a strong UK egg industry these matters must be addressed at the UK and EU levels.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The UK needs to ensure that it proactively protects its own agricultural industries from cheap third country competition whilst at the same time negotiating to ensure access where offensive interests are present for example in the export of egg albumin to Japan.

**Q15.** Not Answered

## **British Institute of Agricultural Consultants (BIAC)**

We as an organisation, (BIAC) are supporters of the EU and particularly the UK having competence in agriculture & plant health as we believe this is beneficial to the country as a whole.

One of the many benefits to the UK in having a strong agricultural sector is the ability to produce competitively priced, locally grown health food and to protect the environment.

We also believe we should as a country we should provide an environment that allows the UK to champion a competitive food and farming sector with the minimum intervention from the EU to allow for free market access whilst protecting biosecurity.

The provision of safe, plentiful, affordable food is vital to a nations prosperity both home produced and imported so we need to have controls in place that assure this throughout the EU whilst allowing member states to manage them.

## **British Potato Trade Association**

**Q1. Should the EU have competence for agriculture and plant health?**

Yes. BPTA's interest lies predominantly in the marketing of potatoes and in potato plant health.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

BPTA believes that the UK must remain as part of the EU as this ensures that we have a voice in the development of policy and legislation. If we were out of the EU, the UK potato industry would have to comply with EU standards for seed potato marketing and plant health in order to compete within that market yet have no ability to influence these standards.

**ii) disadvantages the UK national interest?**

There is an argument that membership of the EU and the single market leaves the UK exposed to lower quality potato imports and potentially damaging potato pathogens. This is the lowest common denominator argument eg we are potentially exposed to the free market movement of Polish or Romanian potatoes that are likely to be contaminated with potato ring rot. However this risk is mitigated by measures applied at EU level and in the UK. The UK can also take immediate unilateral action to protect itself provided that these measures can be justified.

**Q3.** Not Answered

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

It is of vital importance for the UK to have access to the single market. The risks can be (and have been) managed by a combination of EU, national and industry measures. There is however no room for complacency.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

It is best for potato marketing and plant health action and legislation to be taken at EU level with the important proviso that, where justified, action can be taken a national and regional (e.g. Scotland) level.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

Concerted voluntary action by industry bodies for example the Potato Council's Safe Haven Scheme and previous voluntary ban by Scottish seed potato industry on imported seed can help plug any important gaps in protecting the UK.

**ii) disadvantages the UK national interest?**

In practice none because of voluntary action by industry.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these**

**agreements and the EU's role in negotiating them help or hinder the UK national interest?**

International trade is the life blood of the UK seed potato industry.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

There is no such thing as a level playing field! Also there is no CMO for potatoes.

**ii) How could current arrangements be improved?** Not answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The UK must continue to be fully integrated with the EU market. See previous answers regarding common standards.

**Q11. – Q12.** Not answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

New exotic potato plant pathogens.

Development of new and existing markets for UK potatoes.

Policy and legislative changes in international, EU and UK areas.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Decisions/actions should be devolved as far as is practicable and left to industry again as far as practicable.

**Q15.** Not Answered

## **British Society of Plant Breeders**

**Q1. Should the EU have competence for agriculture and plant health?**

Yes for Plant Reproductive Material. My comments relate solely to PRM and not to any other elements of agriculture.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

Plant breeding and seeds are global industries. PRM moves around the world constantly. It is essential to companies in the UK that PRM and plant health

legislation are harmonised across the EU so that there can be free movement of PRM with no barriers to trade from different national requirements. It is in the UK national interest to sustain a successful and vibrant commercial plant breeding industry. Plant breeding makes a significant contribution to addressing climate change and food security and to the UK economy. Breeding advances in wheat, barley and maize alone contribute more than £1 billion annually to the UK economy, or £40 for every £1 invested in R & D. The UK climate and market demands local breeding programmes and testing new varieties in the UK to ensure their suitability and maximises the availability of adapted genetic potential. UK companies breeding our major agricultural crops increasingly work on a pan European basis, exchanging material between programmes in different countries. This increases efficiency and broadens the pool of genetic diversity available to breeders in the UK. Regulation at EU level is vital to make sure that this can happen easily and cost effectively. Regulation at EU level also means a level playing field for UK breeding companies with competitors elsewhere in Europe.

**ii) disadvantages the UK national interest?**

For PRM very little. The exception is probably the approvals process for GM crops. But this is not a problem of the legislation itself, but rather of its implementation and the politicisation of decision making. Depending on the outcome of current negotiations, the new Regulation to implement the Nagoya Protocol on access and benefit sharing may make life harder for breeding companies - but this will apply to all in Europe, who may have tougher obligations to meet than companies in other parts of the world. Other than this, for PRM, the advantages of EU level legislation far outweigh any disadvantage.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

For PRM there would be advantages from a more positive approach to the implementation of GM legislation at EU level. It would also be helpful for the EU to take a positive approach to the regulation of certain novel breeding techniques, to confirm that they do not fall within the definition of GM and are not to be regulated as such. This would make available new techniques to accelerate plant breeding that are already available to breeders elsewhere in the world but currently not to breeders in the UK and Europe because of the legal uncertainty.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products? NA to PRM**

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Decision making at EU level is fine for PRM provided that the UK Government remains close to the process as it is currently. A little national discretion is of course always helpful in certain areas of detail - an example is our requirement for early movement of seeds - a consequence of our late harvest and short turnaround time relative to continental Europe - but effective negotiation in Council and trilogue should work for this.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

PRM is an area of specialist legislation in which generally Council has a level of detailed understanding that the Parliament does not. The UK does have currently some knowledgeable and well informed MEPs but they are not always in a position of voting strength in the political process. The UK interest could therefore be favoured by a stronger influence of Council.

**ii) disadvantages the UK national interest?** Converse of 13.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Agreements between the EU and the rest of the world are very important for PRM - for free trade and circulation of material without artificial barriers e.g. phytosanitary. GM crops and novel breeding techniques are an obvious area for improvement to put plant breeders and farmers and consumers on a level playing field with other countries that already enjoy access to these technologies and the benefits of their products.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

For PRM currently no real problems (other than GM crops and novel breeding techniques). There is potential to lose some national flexibility through the new PRM regulation which is currently in the legislative process. If lost this could be disadvantageous to UK interests but Defra is well aware and representing robustly through Council. It is too early to tell until we have an outcome but there is always a risk as well as potential benefit from opening up legislation that currently works well.

**ii) How could current arrangements be improved?** No answer

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Adherence to recognised common standards in PRM is a positive advantage to businesses trading globally and helps with free circulation of material within the EU before or after export or import.

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

Not directly relevant to PRM

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

For PRM:

GM crops regulation and implementation

Novel breeding techniques regulation

Access and benefit sharing for genetic resources inc new regulation to implement Nagoya

Possible opening up of EU PVR legislation for review

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Current balance seems to work well for PRM - except for GM related issues as identified elsewhere

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

PRM must be regulated at EU level. For a global industry in which international trade is an everyday occurrence, working with 27 different sets of national legislation should not even be contemplated.

## **Brothers, David**

**Q1. Should the EU have competence for agriculture and plant health?**

I feel very strongly that it is complete overkill and a removal of public freedom for the EU to have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners and allotment holders.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.



Q2. - Q15 Not Answered

## Brough, Kane

**Q1. Should the EU have competence for agriculture and plant health?**

I and strongly feel that the EU should not be make decisions about Plant Reproductive Material ( seeds) intended for gardeners and allotment holders.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

Q2. - Q15. Not Answered

## Brown, Barbara

**Q1. Should the EU have competence for agriculture and plant health?** No.

**Q2. What evidence is there that the EU approach to agriculture:**

i) benefits the UK national interest? None

Q2. ii) Not Answered

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

I cannot see how limiting choice for growers would be anything but detrimental.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?** No opinion.

Q5. Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I believe the interests of the country would be better served at a regional and national rather than international level.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?** None that I can see.

Q7. ii) – Q14. Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Since small scale producers and gardeners will be adversely affected by limiting their choice of seeds which may not be the best choices for gardens then there ought to be a distinct exception for small scale growers and private gardeners.

## **Brussels and Europe Liberal Democrats**

**Q1. Should the EU have competence for agriculture and plant health?**

If the EU did not have competence for agricultural policy, each Member State would want to have its own national policy (as they did before EU membership). France would probably have a protectionist policy, with high border protection, high support prices and possibly also export subsidies. The UK would probably have a deficiency payments system consisting of lower border protection and direct payments to farmers. So some farmers would get treatment A, others farmers would get treatment B (there could be 28 different national treatments). There would be no level playing field for EU farmers. UK farmers might be at an advantage - on the other hand they may be at a disadvantage - it would all depend on the generosity of the national policy. More fundamentally, of course, it would be very difficult to have a single market for food. Why would, say, German farmers allow wheat to be imported into Germany from the UK if UK farmers were getting a direct payment when they were not? So, there would probably have to be 28 national food markets in the EU. But the real problem would be how to manage the interaction between these 28 national food markets and the single EU market for all other goods. There would have to be a very complicated system of compensatory taxes and subsidies, differentiated down to every conceivable food product. This might be a bureaucrat's dream but it would be a nightmare for everybody else!!

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

The answer depends completely on what is "the UK national interest?"

In our view, the CAP has - on the whole - been:

- good for European consumers because it has ALWAYS – i.e. in years of good harvest as well as in years of bad harvest - ensured that the supermarkets have been full of food and the food is cheap compared to other parts of the world and previous historical periods.
- good for European society because it has ensured that the countryside has - generally speaking - stayed alive because farmers have been guaranteed a livelihood

□ good for farmers because they have been assured (more or less) of a reasonable standard of living

□□ good for the environment because farmers have incentives to undertake actions that help to conserve nature and wildlife

□ all this has been achieved at a reasonable cost. There is a popular belief that the CAP is outrageously expensive. It is true that it costs some € 50 billion per year but this is only 0,5% of EU GNI. This is a small price to pay for food security and a countryside which is still alive (compare to Brazil where the farmers were not looked after and now populate the “favelas” and slums around Sao Paulo and Rio).

□ Of course the CAP costs around 30% of the EU budget but this is a corollary of the fact that the Member States have asked the EU to implement two large policies (structural policy and CAP) and a collection of smaller measures (environment, Erasmus....). Thus it is only logical that structural funds require a third of the budget, the CAP another third and the collection of minor policies require the remaining third. It is a consequence of the conferral of particular competencies by the Member States to the EU. If the EU was responsible for an army, the schools and the roads, then the proportion of the EU budget spent on the CAP would probably shrink to around 10%.

Having said all that, the CAP is not without blemishes or, as some might say, huge moral questions. The biggest moral question is that of dumping its surplus food on the economies of third countries. This is not done now (but the EU retains the legal right to do so should the need arise). But it has been done in the past with pernicious effects on weaker countries. This has been totally against the long-term development interests of third countries.

It is not in the long-term broad interest for the EU to take measures that cause difficulties for other countries because we all have to inhabit the same global home.

**Q3. Do you think the UK’s ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The EU probably cannot compete with the major agricultural countries of the world (Russia, Ukraine, Canada, US, Brazil and Argentina) because farming in EU is intrinsically a high-cost activity. This is because - relative to these other countries - land and labour is expensive and farmers are obliged to respect the very many rules such as concern the environment and animal welfare which farmers in the big agricultural countries do not have to respect.

So trying to get EU agriculture to be globally competitive is chasing a bit of a chimera. It is, generally speaking, wishful thinking (aside the niche high value products of whisky, wines, hams, cheeses). For most other products, the Brazilians are able to out-compete Europeans.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Biosecurity risks would confront the UK even if it was not in the EU because the UK would still import food from third countries (tropical fruit for example). So the question, as currently framed, is not really a valid question.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

There is an argument that some decisions on agricultural policy - particularly regarding measures to avoid wild swings in world market prices which can cause havoc for consumers and farmers alike - should be taken at the international level since it is important to maintain an open world market and a reasonable level of price stability.

If prices are very unstable on the world market - as they have been since 2007/8 - governments of third countries will not trust the world market and will turn away from it. It is in everybody's interest to keep world trade open, free and trustworthy (meaning that countries can always rely on it for food at a price they can afford).

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

There is now co-decision regarding the CAP, thus decisions are taken jointly by the Council and the EP. The procedure worked well during the latest reform of the CAP, completed in 2013. It is intrinsically democratic because every state is represented on the Council and all the citizens are represented in the EP (a great deal more democratic than the UN where only 15 states out of some 200 are represented on the UN Security Council and the citizens have no voice at all!)

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Current negotiations on EPAs (previously Lomé and Cotonou agreements) with ACP countries are proving very complicated. They are seven years late. It is not in the UK's interest that the Council and the EP layer these agreements with "Singapore" issues and other matters. The delay is due to EU rigidity and the UK could help move these negotiations forward.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

The single CMO provides sufficient flexibility. It is not necessary to improve the single CMO.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Whiskey, farm and equine breeding stock.

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

The rules are complex and require a great deal of auditing, verification and control systems to keep the error rate at a low level. But it is difficult to answer this question without knowing what are the UK objectives for the sector (to conserve Nature? to produce food? to keep rural communities intact and prosperous? to maintain the incomes of landowners? to keep nice landscapes?).

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

One big challenge is how to attract young people into farming. Most farmers are over 65 years old and many sons and daughters of farmers are no longer interested in taking over the family farm. This puts our food security, countryside and rural communities at risk. It is a problem that the UK needs to think seriously about.

It is not something that can simply be 'left to the market'. If that logic was followed, there will be less and less farmers and some land, starting with marginal land, will no longer be used for farming. The quantity of food producer will fall. Neither the UK nor the EU will produce enough food to feed itself.

But - there is the world market, economists tell us. The problem is that the world market is not always reliable. Countries sometimes choose to supply the world market but sometimes they choose to keep their food for their own populations (just in the last five years, export restrictions have been introduced by Ukraine, Russia, Argentina and others). In such an instance, we - the UK and the EU - may be able to afford the higher prices, but our recourse to the world market would bid up the price

of food and put poorer countries in a very invidious position. Our actions could cause hunger, even famine, elsewhere in the world.

Thus, when it comes to food, we cannot, unfortunately, rely solely on the world market.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

More global policy is needed such as that promoted by: [www.world-community-for-food-reserves.org](http://www.world-community-for-food-reserves.org)

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

In the European Commission, there are 1000 officials dealing with the CAP. If the UK was properly represented, 12% of these would be British (and thus have the broader, liberal British perspective). That would mean 120 British officials in DG Agriculture.

But there are only 20 British officials and they are getting rather long in the tooth. The British point of view, depth of knowledge of agricultural economics and our appreciation of the importance of open and fair world trade tempered by our sense of the role of the market, is simply not heard in the internal formulation of policy.

## **Bryant, Elisabeth**

**Q1. Should the EU have competence for agriculture and plant health?**

The EU should not have competence for plant reproductive materials intended for garden/smallholding use. The requirements are completely different to those for farming and commercial horticulture.

The individual countries have a better understanding of what is required locally.

## **Buccheri, Micky**

**Q1. Should the EU have competence for agriculture and plant health?**

I grow fruit and vegetables in my own garden in Ealing, London. My personal opinion is that the EU should not make decisions about seeds intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. I feel strongly that individual small gardens and allotments are a completely different sector, and don't require strict EU-level regulation."

**Q2. - Q15.** Not Answered

## Bureau, Jean-Christophe

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes. There are public goods that are pan European and some negative externalities that are also cross-border

### **Q2. What evidence is there that the EU approach to agriculture:**

- i) **benefits the UK national interest?** No evidence.
- ii) **disadvantages the UK national interest?** The cost of CAP.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The UK is as much responsible for some of the worse aspects of the current CAP (e.g. lack of serious capping) as other member states. The poor design is not imposed on the UK, the UK participates to it. UK negotiators are part of the evil.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The cost of invasive species is often underestimated. But it comes more and more from tourism as much as trade. And by no means only agricultural trade (e.g. car tyres and insect larvae). Even if these costs are enormous, they cannot be compared to the benefits of the single market, since one and the other are not antagonists.

### **Q5. What evidence is there that the current competence over forestry policy:**

- i) **benefits the UK national interest?**

No evidence (there is little EU forestry). EU biofuel policy may hurt UK interests, though.

- ii) **disadvantages the UK national interest?** No evidence

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

More subsidiarity would prevent some countries/regions to opt out of the most stupid actions. But the risk of distortions of competition exist

### **Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

- i) **benefits the UK national interest**

Little evidence. Recent experience shows that the Parliament's role is collectively damaging. But the UK MEPs are part of the problem. The UK role in the Council is

more in favour of the general interest, but the Council is dominated by Member States captured by the farm lobby.

**ii)disadvantages the UK national interest**

But the Council is dominated by Member States with a strong political bias in favour of farm interests

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these arrangements and the EU's role in negotiating them help or hinder the UK national interest?**

They boost growth, but may hurt some provision of public goods (by ruining extensive livestock production which has positive side benefits in terms of flood regulation, carbon storage and biodiversity).

**Q9. Considering the Single Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs**

Balance is now OK after 20 years of reform

**ii) How could they be improved?**

By not making them worse (i.e. going back to more government intervention as some countries want).

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

EU negotiation power is stronger in bilateral agreements

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

Some of my academic work shows that biofuel contribute significantly in higher feedstock prices and that the current policy (a fixed mandate) rigidifies demand and contributes to higher price fluctuations

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

Direct payments are poorly targeted and designed. They do not target well the intended beneficiary because of leakages (e.g. land prices). They do not target



public goods. They should be decreased progressively over a transition period. Unfortunately, this is not going to happen in a near future.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Budget devoted to direct payments will have to be reduced

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The new role of the Parliament has changed the rules and policy making is now even more subject to capture by vested interests. Some degree of re-nationalization of the agricultural policy is perhaps a lesser evil.

**Q15.** Not Answered

## **Burns, Angie**

**Q1. Should the EU have competence for agriculture and plant health?**

I think the EU should not have competence for home gardeners, allotment holders and small companies selling seed to home gardeners and allotment holders. It's important that heritage varieties are not sacrificed to big business interests.

**Q2. – Q15.** Not Answered

## **Burns, Robert**

**Q1. Should the EU have competence for agriculture and plant health?**

Not with regard to seeds etc used by private individuals in their own gardens. It is important that the simpler requirements already in place are retained. Small firms selling heritage varieties should not be subject to EU law. It is important to retain as much biodiversity as possible. If the only way of achieving this is to bring the law back to the UK, then that should be done.

**Q2. - Q15.** Not Answered

## **Burrington, Tessa**

**Q1. Should the EU have competence for agriculture and plant health?**

I am responding to this questionnaire as a consumer who is concerned about food security for all, sustainability, fair trade and animal welfare (Animal sentience is enshrined in EU law by Article 13 of the Treaty on the Functioning of the EU).

I support Agroecology.

I feel consumers need to stay informed regarding the disadvantages of allowing possible total corporate domination of the food chain and the disadvantages of industrial agriculture. I think some of these issues are not always fully understood at a national, European and International level by regulators and changes need to be made.

I have particular concerns regarding the Trade Deals.

Hopefully efforts can be made to allow wider debate on issues such as the safety of new technologies and that national, EU and international Seed Policy, for example, should work towards improving social and environmental sustainability. I have concerns about the Government's Red Tape Challenge. I feel decisions should not be made by economists who do not understand the safety, environmental, social and humanitarian issues.

These are the main issues listed on La Via Campesina website:

Agrarian reform and water, biodiversity and genetic resources, food sovereignty and trade, women, human rights, migrations and rural workers, sustainable peasants agriculture, youth.

Regulations must recognize the rights of farmers to save, reuse, share, sell and protect their seeds, as stipulated in the International Treaty on Plant Genetic Resources for Food and Agriculture. In order to do this, competences (without safety regulators being compromised by a conflict of interest) should be balanced as appropriate from a very local to international level.

Farmers and gardeners, who buy seeds on the market, as well as small-scale seed breeders, should have the right to public protection against fraud, malpractice and aggressive and unfair trade practices.

To quote one Civil Society Organisation with regard to organic seeds:

“Our agricultural and civil society organisations have fought the WTO and a principle of free trade that is tantamount to letting foxes range freely through a chicken run. For years, we have denounced the standards and the costs of catalogue registration and certification that are driving landrace and local seeds off the market. But this does not mean that we are in favour a total deregulation of the seed trade.

We demand, on the contrary, rules that will guarantee fair and equitable trade along with food sovereignty.” “Farmers and gardeners, who buy seeds on the market, as well as small-scale seed breeders, should have the right to public protection against fraud, malpractice and aggressive and unfair trade practices.”

### **Compassion in World Farming**

“Compassion in World Farming feel that there is overall benefit if the EU maintains competence for agriculture. The area of farm animal welfare has the potential to raise welfare standards for millions of animals, many more than if animal welfare

legislation was enacted in member states at an individual level. Member states may wish to raise welfare standards above EU minimum.”

Related links:

<http://bristolfoodpolicycouncil.org/>

<http://www.transitiontowtotnes.org/groups/food-group/food-link-project/>

<http://www.arc2020.eu/front/wp-content/uploads/2013/05/Joint-Press-Release-Seed-Law.pdf>

<http://www.iatp.org/blog/201311/scaling-up-agroecology-a-tool-for-policy>

<http://www.wdm.org.uk/stop-bankers-betting-food/depth-research>

<http://corporateeurope.org/efsa/2013/12/efsa-urged-clean-list-public-interest-organisations-0>

<http://www.grain.org/article/entries/4846-food-safety-in-the-eu-us-trade-agreement-going-outside-the-box>

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

Please also see question 5.

I think it is in the national interest to support/work towards fair and sustainable trade for all.

There are instances where EU regulation is superior to national legislation and far superior to safety regulations elsewhere in the world i.e. the US. Of course the situation could vary from issue to issue.

Example of benefit to consumer: EU GM cooking oil labelling regulations, although these need improvement (education, rather than a fine). There are numerous reports available on toxic soy.

However it is in consumers' interests to have food from animals fed GM animal feed labelled. I would (as would many informed consumers) prefer a ban on GM animal feed and GM crops. This may have been covered in another review but it is an important point.

<http://www.foodandwaterwatch.org/pressreleases/over-25-000-people-tell-ahold-stop-misleading-consumers-genetically-modified-toxic-soy-is-not-responsible/>

**ii) disadvantages the UK national interest?**

Please also see question 5 and 6.

I think it is in the national interest to support/work towards fair and sustainable trade for all.

EU approach disadvantage consumer: The non labelling of products from animals fed GM animal feed. I am aware that this issue may fall under another review but I

think it is an important point. It is in consumers' interests to have food from animals fed GM animal feed to be labelled. I would prefer a ban on GM animal feed as would many consumers for various reasons.

<http://www.toxicsoy.org/toxicsoy/impact.html>

There are numerous reports available on toxic soy.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Please see questions 5, 6 and 7. Particularly my comments regarding economists, i.e. "I have concerns about the Government's Red Tape Challenge. Decisions should not be made by economists who do not understand the safety, environmental, social and humanitarian issues."

#### **Community and local level**

This is a difficult question as some input also needs to be put in at a local level. There are local communities working on community orchards for example and local community food co-operatives.

#### **National Farmers' Union (NFU)**

The NFU has come under criticism in some quarters.

"It is time to regulate food speculation", **World Development Movement (WDM)**

<http://www.wdm.org.uk/stop-bankers-betting-food/what-being-done-food-speculation>

If we do nothing, we risk having food riots in the poorest countries and also an unfavourable impact on global growth. We want regulation of the financial markets for commodities."

- Nicholas Sarkozy, French president

WDM – "We are putting pressure on the UK government to back proposals to regulate betting on food prices in financial markets. Since July 2010, we have campaigned to raise the issue and it is now firmly on the political agenda in Europe. Proposals for regulation are being drawn up in the EU, but the financial industry, with the help of George Osborne and the UK Treasury, is lobbying hard against them."

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Consumers and Civil Society organisations have concerns about Trade Deals and Food Sovereignty issues.

To quote one Civil Society Organisation with regard to organic seeds:

"Our agricultural and civil society organisations have fought the WTO (World Trade Organisation) and a principle of free trade that is tantamount to letting foxes range freely through a chicken run.

For years, we have denounced the standards and the costs of catalogue registration and certification that are driving landrace and local seeds off the market. But this does not mean that we are in favour a total deregulation of the seed trade. We demand, on the contrary, rules that will guarantee fair and equitable trade along with food sovereignty.”

“Farmers and gardeners, who buy seeds on the market, as well as small-scale seed breeders, should have the right to public protection against fraud, malpractice and aggressive and unfair trade practices.”

Trade Deal Evidence: Transnational Institute and Corporate Europe Observatory web sites.

<http://www.tni.org/pressrelease/eu-us-trade-deal-will-lead-race-bottom-where-only-big-business-wins-warns-new-report>

Also:

<http://www.iatp.org/blog/201310/secret-trade-agenda-threatens-shift-toward-sustainable-food-system>

<http://www.eating-better.org/blog/29/Trading-away-meat-standards.html>

I hope in due course to provide further evidence to DEFRA regarding consumer and scientist biosecurity ecosystem/ethical/human and plant health concerns.

**Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

I support Agroecology.

**ii) disadvantages the UK national interest?**

I support Agroecology.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Please also see questions 5 to 9.

Local Food Security issues and Global Fair and sustainable Trade are important.

Balance and shared competences as appropriate are important. Local food security issues should be taken into account while at the same time Compassion in World Farming, for example, feel that there is overall benefit if the EU maintains competence for agriculture.

Likewise, there are also biosecurity issues as expressed by organic farmers (and non organic farmers). Some issues are both local and international i.e. “...We demand, on the contrary, rules that will guarantee fair and equitable trade along with food sovereignty.” (see question 9 on biosecurity).

Balance, shared competences and communication with no “race to the bottom” with regard to environmental safety and animal welfare please.

Related Links:

<http://corporateeurope.org/news/brussels-business-who-runs-european-union>

“The Brussels Business - Who Runs the European Union? - which puts the spotlight on the power of the lobbying industry in Brussels - is to have its Belgian Premiere at the Millennium Documentary Film Festival in Brussels on Thursday 19 April 2012. Corporate Europe Observatory was approached by the filmmakers at the start of their project and our early work features prominently in the film, which tells the story of how industry lobby groups heavily influenced the EU's development from the 1980s onwards.”

<http://corporateeurope.org/blog/2014-needs-new-year-resolution-tackle-revolving-door>

<http://corporateeurope.org/revolving-doors/2013/12/ngos-welcome-ombudsman-damning-report-which-heavily-criticises-commission>

<http://corporateeurope.org/lobbycracy/2013/12/transparency-about-lobby-register-deal-urgently-needed-publish-agreement>

<http://www.etcgroup.org/content/new-biomassters>

## **ETC Group**

ETC Group groundbreaking report lifts the lid on the emerging global grab on plants, lands, ecosystems, and traditional cultures. The New Biomassters - Synthetic Biology and the Next Assault on Biodiversity and Livelihoods is a critique of what **OECD** countries are calling 'the new bio economy.' Concerted attempts are already underway to shift industrial production feedstocks from fossil fuels to the 230 billion tonnes of 'biomass' (living stuff) that the Earth produces every year -not just for liquid fuels but also for production of power, chemicals, plastics and more. Sold as an ecological switch from a 'black carbon' (i.e. fossil) economy to a 'green carbon' (plant-based) economy, this emerging bio economy is in fact a red-hot resource grab of the lands, livelihoods, knowledge and resources of peoples in the global South, where most of that biomass is located. Enabling the next stage of this new grab is the adoption of synthetic biology techniques (extreme genetic engineering) by a wave of high-tech companies partnering with the world's largest energy, chemical, forestry and agribusiness corporations. *The New Biomassters*:

- **Provides an overview of the bio-based economy** being envisioned by many OECD countries and Fortune 500 corporations and being sold to the global South as "clean development," as well as a comprehensive consideration of its wider implications -- **a first from civil society.....**

## **Consumer Organisations**

[http://www.consumersinternational.org/our-work/global-activity/regions/transatlantic/#.UtHix\\_vK2t8](http://www.consumersinternational.org/our-work/global-activity/regions/transatlantic/#.UtHix_vK2t8)

**“The Transatlantic Consumer Dialogue (TACD), coordinated by CI (Consumers International), is a forum of EU and US consumer organisations. TACD develops and agrees on joint consumer policy recommendations to the US government and the European Union to promote the consumer interest in EU and US policy making.”**

#### **Various view points**

<http://www.alternativetrademandate.org/>

“Today, a European alliance of over 50 civil society organisations [1] will launch the Alternative Trade Mandate [2], a proposal to make EU trade and investment policy work for people and the planet, not just the profit interests of a few. The launch is taking place as EU trade ministers and the European Commission are leaving for the World Trade Organisation (WTO) negotiations in Bali next week.

“The current trade and investment regime, imposed by the EU and the WTO, isn’t working. Prising markets open for global agri-business is wiping out small farmers and is a major cause of hunger. The deregulation of financial services through free trade agreements impedes tough regulation of the financial sector, paving the way for the next disastrous financial crisis. We need to break away from this corporate driven agenda,” says Charles Santiago, a member of the Malaysian parliament, who is in Brussels to support the launch of the Alternative Trade Mandate.

The new 20-page mandate proposes that core principles such as human and labour rights and environmental protection should drive EU trade policy. On several areas, such as food, work, money and raw materials, detailed proposals for change are outlined. One proposal is for the EU to become more self-sufficient in protein and oil crops as alternatives to imports of (genetically-modified) soybeans, palm oil and agrofuels, which are devastating for the environment and small farmers in the global south. The mandate also calls on the EU to hold European corporations accountable for human rights violations, environmental destruction, tax avoidance and tax evasion elsewhere.”

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

Please see previous questions.

Some flexibility is required to allow debate. For example what works in one situation may not work in another also things change and new factors and knowledge come to light.

I feel it is in everyone's interest to have fair and sustainable trade. Reform of democracy is generally needed as is research into participatory democracy and conflict resolution.

### **Various view points and related links**

**So what is exactly the national interest, whose interest?**

[http://en.wikipedia.org/wiki/National\\_interest](http://en.wikipedia.org/wiki/National_interest)

[http://en.wikipedia.org/wiki/Equity\\_%28legal\\_concept%29](http://en.wikipedia.org/wiki/Equity_%28legal_concept%29)

<http://eradicatingecocide.com/>

[http://en.wikipedia.org/wiki/Freemen\\_on\\_the\\_land](http://en.wikipedia.org/wiki/Freemen_on_the_land)

[http://www.historylearningsite.co.uk/institutions\\_of\\_the\\_european\\_uni.htm](http://www.historylearningsite.co.uk/institutions_of_the_european_uni.htm)

<http://targetsandbullying.org/>

<http://www.ethicalconsumer.org/commentanalysis/factsvgreenwash/codexalimentarius.aspx>

**ii) disadvantages the UK national interest?**

Please see previous questions and related links.

Some flexibility is required to allow debate. For example what works in one situation may not work in another. It is in everyone's interest to have fair and sustainable trade. Reform of democracy is general needed as is research into participatory democracy and conflict resolution.

### **Various view points**

[http://en.wikipedia.org/wiki/National\\_interest](http://en.wikipedia.org/wiki/National_interest)

[http://en.wikipedia.org/wiki/Equity\\_%28legal\\_concept%29](http://en.wikipedia.org/wiki/Equity_%28legal_concept%29)

<http://eradicatingecocide.com/>

[http://en.wikipedia.org/wiki/Freemen\\_on\\_the\\_land](http://en.wikipedia.org/wiki/Freemen_on_the_land)

[http://www.historylearningsite.co.uk/institutions\\_of\\_the\\_european\\_uni.htm](http://www.historylearningsite.co.uk/institutions_of_the_european_uni.htm)

<http://targetsandbullying.org/>

<http://www.ethicalconsumer.org/commentanalysis/factsvgreenwash/codexalimentarius.aspx>

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Fair and Sustainable Trade for all is in the global and national interest. Please see previous questions.



### **Q9. Considering the single Common Market Organisation:**

#### **i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

There is serious concern amongst informed consumers regarding Trade Deals and Seed Regulations. Please see comments and links in previous questions.

<http://www.tni.org/pressrelease/eu-us-trade-deal-will-lead-race-bottom-where-only-big-business-wins-warns-new-report>

#### **ii) How could current arrangements be improved?**

Please see previous questions.

### **Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Please see previous questions and comments. Can we extend the question to global citizens. The concerns of small businesses and local community groups should be listened to.

There is in some cases I understand more safety protection for consumers and the environment from EU regulations than national regulations. For example, the labelling of GM cooking oil regulations. Although, nobody wants businesses fined, the answer is education and transparency.

There are many reports on toxic soy.

<http://www.toxicsoy.org/toxicsoy/impact.html>

<http://www.foodandwaterwatch.org/pressreleases/over-25-000-people-tell-ahold-stop-misleading-consumers-genetically-modified-toxic-soy-is-not-responsible/>

### **On common standards**

Comment from an independent news source:

“A truly public interest perspective on science and the science media is urgently needed. As our society has become more technologically oriented and our effects on the planet more pronounced, science has increasingly become the key battleground determining the social acceptability and official approval of new (and old) products and technologies. Probably even more important to future global possibilities is that science is also a battleground of ideas. The origins of common diseases, the nature of gender differences, how to feed the world, the merits of natural foods, or the effectiveness of animal testing, are all concepts that, depending on whether society accepts them or not, constrain future choices.

Because of these roles, science is a tempting target of manipulation for commercial entities, governments, and other powerful institutions. Not only does it offer a

decisive opportunity to tilt the playing field in their favour, but also scientific decisions are often both complex and hidden from view (even from other scientists). Manipulation can therefore occur entirely unnoticed. Manipulation is further aided by the fact that scientists have constructed for themselves a mythology of impartiality and rigour that deters questioning by outsiders.

Consequently, scientific facts and ideas are not always what they seem. From [counting the future world population](#) or [quantifying the deaths following the Chernobyl nuclear accident](#) to [preventing independent research on GMOs](#) to the safety or the effectiveness of just about any product, including [pharmaceuticals](#) and [basic foodstuffs](#), even including the [fundamental nature of human disease](#), powerful interests routinely succeed in controlling the output of science. When data is manipulated on this scale then truth, the public interest, and democracy, all suffer. It becomes effectively impossible for any society to function and decide rationally and thoughtfully.

In no field of human endeavour is this more important or more true than food and agriculture.”

“The threat to scientific publishing from industry influence is real. The avenues for researchers to publish critical views in science are already few. This is especially true for the high-impact journals that the media notices and that therefore influence public discourse. Equally problematic is that few scientific institutions will support researchers whose findings contradict industry viewpoints. Even fewer funding sources will give to such researchers. Consequently almost all funding of biosafety research finds its way into the hands of researchers with industry ties.

This directly affects the quality of the science produced. A recent literature review found that most studies concluding that GM foods are as safe as non-GM counterparts were performed by the developer companies or their associates (Domingo and Bordonaba, 2011). It is no coincidence that Norway, a country without an agricultural industry lobby, hosts the only publicly funded [institute](#) in the world with a mission to conduct research on the environmental, health and social consequences of genetic engineering.”

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

The World Development Movement have done work on commodity markets.

<http://www.biofuelwatch.org.uk/>

<http://www.wdm.org.uk/stop-bankers-betting-food/depth-research>

Research by external economists and international institutions

The food crises: predictive validation of a quantitative model of food prices including speculators and ethanol conversion - Academic quantitative study finding that

biofuels are causing a longer-term rise in food prices, while speculation has been responsible for the recent sharp fluctuations.

<http://www.wdm.org.uk/stop-bankers-betting-food/depth-research>

Further reading:

<http://www.tomlines.org.uk/page3.htm>

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

The views of Via Campesina and ARC should be taken into account.

The NFU (National Farmers Union) has been criticised in some circles.

“The National Farmers' Union: friend to ‘big business’, not to small farmers.”

"The NFU is a powerful group, It's dominated farm policy for decades and has all the political access it needs, and yet it has at the same time presided over the near total collapse of British farming. In short, yes, I think the NFU has let us all down very badly".

2003

“...As the industry collapses, many farmers feel sold out by the UK Government, misunderstood by an unsympathetic public and let down by a union that does not represent their interests. The NFU is supposed to be a representative body to the farming industry which, unlike any other union, the UK government is legally obliged to consult over policy. If this is so, why is farming still in crisis?... the NFU at a national level is not only failing to offer solutions, but has also been part of the problem.”

I hope to send DEFRA a briefing on the NFU in due course.

<http://www.arc2020.eu/front/understandingthe-cap/>

<http://www.arc2020.eu/front/tools-for-understanding-the-cap/>

<http://www.cpre.org.uk/resources/farming-and-food/local-foods>

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

### **Democratic Reform**

Significant EU reform is needed as discussed in earlier questions. (I also believe significant reform is needed of the United Nations).

Getting the competency balance right. I think flexibility is of importance and that local communities and small farmers do not feel disempowered to make choices and decisions.

Reform of the EU is needed and the conflicts of interest at EFSA resolved so that there is a level playing field for scientific debate. PLEASE SEE QUESTION 18.

As far as the UK Government having **total** competency for Agriculture, I think this would be a big mistake as has been demonstrated by the Red Tape Challenge, the UK Government's support of the EU/US Trade Deal and Gagging Bill, which I believe is not overall, in the safety and food sovereignty interests of UK citizens, global citizens and the environment.

Improving communication at a local, regional, national, EU and international level is a big challenge.

Other issues are covered in previous questions.

### **Gagging Bill Campaigning Group:**

**“The government's rushing through a new law which, if it passes, would have a chilling effect on British democracy** and our right to speak up on issues that matter to us.

From May 2014, **draconian new rules would prevent non-politicians from speaking up on the big issues of the day.** [A huge range of campaign groups and charities](#) – everyone from The Royal British Legion, to Oxfam, to the RSPB - are warning about the threat this poses.

**It's telling that so many groups who wouldn't normally agree with each other have united to oppose the gagging law.** Groups that speak out in favour of hunting, wind farms, HS2 or building more houses are joining together with groups who say exactly the opposite.

That's because there's one thing we should all be able to agree on: in a healthy democracy, everyone should feel able to express their views. And everyone should be allowed to get organised to highlight what politicians are saying and doing on the issues that matter to them.

Politics is too important to leave to political parties. When we speak up about decisions that affect us and the future of our country, we can often change things for the better.”

Finding a solution to the “one size fits all” problem.

### **Peak Oil opportunity for research**

<http://topdocumentaryfilms.com/farm-for-the-future/>

Wildlife film maker Rebecca Hosking investigates how to transform her family's farm in Devon into a low energy farm for the future, and discovers that nature holds the key.

With her father close to retirement, Rebecca returns to her family's wildlife-friendly farm in Devon, to become the next generation to farm the land. But last year's high fuel prices were a wake-up call for Rebecca. Realising that all food production in the

UK is completely dependent on abundant cheap fossil fuel, particularly oil, she sets out to discover just how secure this oil supply is.

Alarmed by the answers, she explores ways of farming without using fossil fuel. With the help of pioneering farmers and growers, Rebecca learns that it is actually nature that holds the key to farming in a low-energy future.

<http://www.oxfordrealfarmingconference.org/>

“Britain requires considerably more farmers to achieve the vision of Real Farming. Farms would ideally be smaller and there would be a need for highly trained people to work on them. The current generation of farmers are approaching retirement and there are not enough new farmers to take their places.

At the same time, large numbers of young people see the appeal of going back to the land. This strand of the ORFC looks at the obstacles to new entrants achieving this aim and showcases some of the new solutions people have come up with to overcome them.

There are five priority areas for action to create the next generation of farmers for Europe. We will bring together representatives from some of the leading initiatives in each area for panel discussions and a look at the next steps. The final plenary session will bring together the conclusions from each area to create a manifesto for change. The five priority areas are:

1. Skills and training
2. Land access
3. Access to markets
4. Access to finance
5. Policy and politics

This year the conference spreads its net wider than previously by inviting some key projects from the rest of Europe to come and share their successes and challenges in these areas, with the aim of launching a European and ultimately worldwide directory of initiatives making a real difference supporting young farmers. There will be specific sessions discussing initiatives in the United States of America and Europe as well as a session devoted to what it's like to set up a sustainable agriculture business from scratch, from the horse's mouth.”

### **Agroecology Cools down the Earth**

[http://www.grain.org/bulletin\\_board/entries/4842-agroecology-cools-down-the-earth](http://www.grain.org/bulletin_board/entries/4842-agroecology-cools-down-the-earth)

### **Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Please see also answer to question 21.

Difficult question as related to communication, geopolitics, democracy and corporate lobbying.

See question 5 and 18 (there is no scientific consensus on the safety of some new technologies) and other previous questions.

Reform is needed at all levels. Flexibility is required.

**Olga Kikou, European Affairs Manager, Compassion in World Farming:**

“It will certainly be an uphill battle to challenge trade agreements and turn around the existing trend towards intensification. However, during times of threat, conditions give rise to opportunities. **And, it might be the case that we are presented with an opportunity here.** An opportunity which will bring to the forefront not only the dangers coming out of this negotiation process but also the faulty makeup of the entire food system as it is currently in place and challenge the intensification process of agriculture as well as our food consumption patterns.

In this respect, our work ahead can be carried on as follows:

1. On the trade negotiation process, our efforts should focus on mobilizing civil society, informing citizens and involving everyone through existing channels to re-examine the priorities of the talks and, if necessary, prevent this deal from being signed. Increasingly, more signs point to this direction.
2. At the same time, we should use the momentum created from the reactions to these negotiations to address broader issues focusing on the interests of citizens rather than corporations and creating the right conditions for a shift to a truly sustainable agriculture and food system.

Finally, more attention should be paid to the fact that this trade deal can have far reaching effects extending to the rest of the world since it opens the door for similar trade agreements elsewhere, setting a bad precedent for a global weakening of the protection offered by legislation on social, economic and environmental standards. Europe should be moving forward improving what has been achieved, leaving behind short sighted controversial agreements of benefit to few and focusing on the future of the people and the planet.”

**Various view points for debate, out of the frying pan and into the fire, is every problem a solution in disguise?**

<http://markcurtis.wordpress.com/2007/02/01/the-great-deception/>

**Anglo-American Power and World Order**

Debunking some of the myths of post-cold War power, Mark Curtis demonstrates how Britain remains the key supporting player in US domination, and how far from benign that domination is in its impact on the rest of the world.

The special relationship between Britain and the United States has concealed a powerful complicity: a “great deception” of the foreign policy establishment. Drawing on recently declassified government files, Mark Curtis makes a controversial and radical critique of British and US foreign policy since 1945. By exposing the formerly secret planning record, Curtis sheds important new light on topical issues such as

Anglo-American policies on the **UN**, the regimes of the Middle East, the Rwanda genocide, British foreign and aid policy under Blair, and US foreign policy under Clinton. Curtis reveals the extent to which governments on both sides of the Atlantic share responsibility for human rights abuses, poverty and insecurity in the Third World and assesses the collaboration of the media and academia in their support of foreign policy decisions.

<http://www.opendemocracy.net/ournhslinda-kaucher/real-force-behind-nhs-act-euus-trade-agreement> February 2013

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

### **Institute For Agriculture and Trade Policy**

IATP works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems. - See more at:

<http://www.iatp.org/about#sthash.NyQKIPRG.dpuf>

Important Information on Nanotechnology

<http://www.iatp.org/issue/agricultural-technology>

I'm sorry, but saying that the Green Revolution saved millions of lives is unscientific.

- See more at: <http://www.iatp.org/blog/201309/science-means-having-to-say-%E2%80%9Ci%E2%80%99m-sorry%E2%80%9D#sthash.S7BW5idQ.dpuf>

<http://www.iatp.org/issue/globalization>

### **Scaling up Agroecology: a Tool for Policy**

<http://www.iatp.org/blog/201311/scaling-up-agroecology-a-tool-for-policy>

### **Local projects**

<http://bristolfoodpolicycouncil.org/>

<http://www.transitiontowtotnes.org/groups/food-group/food-link-project/>

### **Food and Water Watch (Report on GM Salmon can be found on this website and information on Fracking)**

Food & Water Europe monitors the practices of multinational corporations that impact our food and water. We work with grassroots organizations around the world to create a genuinely economically and environmentally viable future. Sign up to learn more about how we can work together to protect our access to clean, safe, affordable food and water.

<http://www.foodandwaterwatch.org/europe/>

### **Seed Regulations ARC**

<http://www.arc2020.eu/front/wp-content/uploads/2013/05/Joint-Press-Release-Seed-Law.pdf>

### **Agroecology cools down the earth**

[http://www.grain.org/bulletin\\_board/entries/4842-agroecology-cools-down-the-earth](http://www.grain.org/bulletin_board/entries/4842-agroecology-cools-down-the-earth)

### **War on Want**

<http://www.waronwant.org/about-us/extra/extra/inform/17755-the-hunger-games>

The UK government's Department for International Development (DFID) is using the aid budget to tighten the corporate stranglehold over the global food system.

This report reveals how DFID has been using hundreds of millions of pounds of taxpayers' money with the express purpose of extending the power of agribusiness over the production of food, especially in sub-Saharan Africa. While this will increase the profits of corporate giants such as Monsanto, Unilever and Syngenta, it threatens to be disempowering for small farmers and rural communities and condemn them to long-term poverty.

### **AGRA Watch**

<http://www.seattleglobaljustice.org/agra-watch/>

AGRA Watch monitors and questions the Gates Foundation's participation in the Alliance for a Green Revolution in Africa (AGRA). Upon researching this initiative and its historical precedents, AGRA Watch finds the current approach politically, environmentally, socially, and ethically problematic (to read more, see "Four Categories of Problems" in blog posts). We support sustainable, socially responsible, and indigenous alternatives in Africa, and connect these movements to those occurring in our local communities.

### **Peasant Seed and Food Sovereignty**

<http://viacampesina.org/en/index.php/main-issues-mainmenu-27/biodiversity-and-genetic-resources-mainmenu-37/1522-the-global-struggle-for-peasants-seeds-a-struggle-for-our-future>

Peasant seeds, and seed diversity are at the root of food sovereignty.

### **Codex and consumers:**

<http://www.ethicalconsumer.org/commentanalysis/factsvgreenwash/codexalimentarius.aspx>

**Raj Patel** - Raj Patel is an award-winning writer, activist and academic. He has degrees from the University of Oxford, the London School of Economics and Cornell University, has worked for the World Bank and WTO, and protested against them around the world.

<http://rajpatel.org/2010/06/24/g20-illegitimate-incompetent-and-out-of-control/>

### **More on Alternative Trade Mandate**

<http://www.alternativetrademandate.org/wp-content/uploads/2012/06/ATM-Vision-Paper.pdf>



<http://www.alternativetrademandate.org/about-us/our-members/>

### **More on Agroecology**

About the All Party Parliamentary Group on Agroecology

### **The International Assessment of Agricultural Knowledge Science and Technology (IAASTD) describes agroecology as**

“ . . . the foundation of sustainable agriculture, [it] is the science and practice of applying ecological concepts and principles to the study, design and management of sustainable agro ecosystems. An agroecological approach recognises the multifunctional dimensions of agriculture and facilitates progress towards a broad range of equitable and sustainable development goals. A wide variety of technologies, practices and innovations including local and traditional knowledge draw on the science of agroecology, including integrated natural resource management, organic agriculture. . . .conservation agriculture and agroforestry.”

### **Towards Multifunctional Agriculture for Social, Environmental and Economic Sustainability (IAASTD, Issues in Brief)**

<http://www.ukfg.org.uk/orfc2012/>

Policy Opportunities for Agroecology

**A strategy session to discuss policy opportunities to promote ecological and equitable models of sustainable food production and consumption.**

### **Iraq**

<http://www.grain.org/article/entries/150-iraq-s-new-patent-law-a-declaration-of-war-against-farmers>

### **More on Red Tape**

<http://www.opendemocracy.net/ournhs/richard-grimes/bonfire-of-citizens-rights>

Alongside the Lobbying Bill, the government is quietly pushing through another Bill that seems designed to remove any lingering obstacles to the corporatisation of public services - disempowering citizens, parliament and watchdogs at a stroke.

I hope to provide further evidence, view points and opinion to DEFRA regarding the issues raised.

Once again, thank you for giving me the opportunity to comment on this consultation.

## **Burston, Daniel**

**Q1. Should the EU have competence for agriculture and plant health?**

I am strongly concerned about the new EU directive RE plant reproductive materials. I would encourage the UK to retain independence over this. I have written to the MEPs also, and I copy that email below. Thank you

Subject: The proposed new EU Plant Reproductive Materials law

Hello. I am writing to you because I feel that the opinions I have and that I know many others share are not reflected or expressed by many lobbying groups. I really want you to hear them and I really appreciate that you are taking the time to read this.

I am a food producer in South West England - I cultivate a few acres of land. This weekend I met with 50 other small and medium scale producers in this area - all of whom are modelling a way of producing food which also takes care of our earth and the people who work the land. We unanimously felt very strongly concerned about the proposed new law regulating the sale of seeds within the European Union.

We have very different needs from farmers and larger scale growers. The law as it is currently drafted does not take account of this difference, and will result in far less choice of varieties suitable for small and medium scale producers.

We represent an incredibly important part of the picture about how we move forward to feed our world AND meet the challenges of climate change and peak oil AND look after the earth for everyone and all life AND pave the way for a society where people have the ability to have some connection with their food comes from.

I realise there are some exceptions allowed in the law for 'niche market' varieties, but these are much too limited.

This law is being described as for 'consumer protection' but there are no problems as things stand with home garden seed that we need protecting from. The new law will hugely reduce our choice of plants to grow. This is unreasonable given that it will not benefit us in any way.

It is not appropriate for seeds sold in smaller packets for individual gardeners and small producers to be regulated in the same way as seeds for commercial agriculture, and as a small scale producer, I do not want to be limited to growing varieties of vegetable developed for a completely different type of growing.

It is really important that we are able to choose any vegetable variety that we want to grow, in a free market, and not be restricted to a list of 'approved' varieties. It is the right of all small scale producers who follow in the footsteps of the peasants of the past thousands of years to have control over their seeds. To deprive the producer of this freedom is to be completely disempowering for the producer, like myself, who is giving himself wholeheartedly to producing good, healthy and affordable food for people, whilst stewarding a piece of land responsibly. I am not out to cheat anyone or to become rich. I am doing this work because it needs to be done, just like thousands of others. But we are not widely represented, unlike the businesspeople of industrial agriculture.

**Q2. - Q15.** Not Answered

### **Burton, David**

#### **Q1. Should the EU have competence for agriculture and plant health?**

EU powers over agriculture seem a part of the trade off over the internal market. However the EU should definitely not have power over plant health for home-garden use. EU rules should only apply to large scale farming. Seeds and plants for home garden use should be controlled by UK laws, not by laws designed for large-scale farming enterprises.

**Q2. – Q15.** Not Answered

### **Butters, Malcolm**

#### **Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not decide what seeds gardeners are allowed to use for growing their own food. The needs of gardeners are very different to those of large scale commercial growers. Gardeners are not involved in major business ventures and the legislation should not change to prevent them having access to the current wide range of seeds suited to their needs. We want to I want to be able to select varieties which:

- mature at different times to give continuity for the table, without wastage
- provide the range of varieties that secure the benefits of taste
- make available those varieties bred to suit local conditions and offer resistance to disease.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and do not require strict EU-level regulation.

**Q2. – Q15.** Not Answered.

### **Campbell Bannerman, David MEP**

This Submission proposes a new relationship for the UK with the EU outside of EU membership entitled 'EEA Lite'; one which lies between Norway's EEA Agreement and Switzerland's bilateral agreements (closer to its proposed new framework agreement). EEA Lite would maintain access to the EU Single Market for UK Exporters whilst allowing the UK to save EU gross membership contributions of £20 billion a year and by leaving the EU Single Market, allow substantial reduction in EU

red tape for the 92% of the UK economy that is not involved with trade with the EU (8% of UK economy is involved with trade with the EU and 12% with the Rest of the World and rising). The benefits of EEA Lite are tailored to each FCO request for submissions. Fuller details on EEA Lite are available on the [www.timetojump.org](http://www.timetojump.org) website.

### **Key points on the CAP:**

- UK is a net contributory to the Common Agricultural Policy (CAP) and as such currently gets a bad deal from the agricultural terms of its association with the EU, losing £1 billion a year in net CAP contributions from 2007-13. The UK, given the farmland it has, proportionately receives only around six tenths of Germany's CAP share, and five eighths of what it should have compared with Italy. France alone receives around a fifth of the entire EU budget.
- The principle of subsidising British farmers was not invented by the EU. It was a key part of the UK's 1947 Agriculture Act. The UK had come close to starving thanks to interruptions in the nation's external food supply, and sought to bolster domestic farming. It did this by providing a top up subsidy for home producers, bringing up earnings to cover the gap between the world price and the home farm gate price, but the WTO no longer allows this. The difference with the CAP, however, is that the market price was allowed to follow the world price rather than be kept unnaturally high by tariffs.
- The UK could establish its own farming support scheme over time out of the EU but keep single farm payments the same until a better scheme is introduced. Norway actually provides more subsidies for its farmers than the EU.
- CAP accounts for around five per cent of household food prices, to which as we shall later see the Common Fisheries Policy (CFP) adds an element more. The official calculations are supported by OECD statistics looking at 'transfers from consumers' across the EU reaching €43 billion across the EU, thus suggesting a ballpark cost to the UK's consumers at between £4 billion and £5 billion a year.
- The EU has moved away from its past approach to massive export subsidies, which were the most blatant breaches of fair and competitive trade. But export refunds continue to be applied to pig meat, poultry meat, eggs, beef and some processed foods, to the tune of around €140 million annually. These can damage competing farmers in less well developed nations.
- There is the £60 million cost of running a duplicate Food Safety Authority at EU level on top of the UK's Food Standards Agency, and which leads to the sort of confusion over testing responsibilities exposed by the horsemeat scandal. Other duplicate costs include the £72 million spent on staff costs of the civil servants running the CAP, and the £5.4 million budget for their office furniture and equipment.

- €7 million goes on the budget on 'Enhancing Public Awareness of the Common Agricultural Policy', and €105 million on support to 'producer organisations', meaning the democratically unhealthy practice of the EU using taxpayer funding for the same agricultural lobby that lobbies the EU.
- Milk produced above EU quotas has been poured down the drain ever since quotas were introduced in 1984. This has led to British farmers trying to sell their quota rather than stay in a depressed market, the decline of the UK cattle breeding stock, and a slump in a national industry notwithstanding the rise of huge new dairy markets in the Far East. Under EEA Lite, milk production can be revitalised in the UK.
- Specific Examples of highly costly CAP damage to the UK include - BSE Crisis: British Ministers concluded that EU policy was being pushed by self-interest by some farming ministers from other EU nations who were eager to step into market gaps, and by a focus on public fears rather than actual science – real friends in the UK's hour of need! The cull and ban involved the slaughter of 3.3 million cattle at one estimated cost of £3.7 billion to the UK taxpayer and £11 billion to the UK industry.
- Horse lasagne: The discovery of horse meat in the food chain in several EU countries, mislabelled as beef, was a major scandal in early 2013. Yet the countries affected were unable under EU law to unilaterally ban imports of suspect foods, as there was no identified health threat. A UK Customs Union in an EEA Lite agreement could be more rational and less biased over such emergency actions.
- Horse passports: These were introduced to ensure that dead horses did not end up in the French food chain, as non-livestock horses may have been treated with the chemical phenylbutazone. As a result, horse movement within the EU requires transit with the documentation. EU regulations have added to rural burdens but without producing the end effects required. The regulations include zebras.
- Fallen stock : As a result of Animal Waste Directive, farmers have to bring in waste disposal of fallen livestock rather than following the old practice of just burying it locally. DEFRA estimated the cost impact on English farmers to run annually at around £14 million, and the Scottish Government their bill £11.6 million. This seems designed to defy common sense.
- Tagging: EC Regulations such as 2004/21/EC establishing a system for the identification of sheep and goats through double tagging, was set up to shift the paperwork away from transport logs. The 42 page Regulatory Impact Assessment by MAFF suggested end running costs in the order of £1.8 million for a scheme intended to simplify and save money.
- Tagging burdens are such that DEFRA in 2011 won a three year delay in introducing new rules for individually tagging sheep, saving the industry potentially as much as £11.5 million over that period.

- Record keeping of cattle: After BSE, Community Regulation 2001/999/EC imposed new paperwork demands on cows. The total costs of these regulations across Britain were officially estimated at £125.2 million per year.
- Welfare of animals in transport: Council Regulation 2005/1/EC requires anyone transporting livestock for 65km, or eight hours in a round journey, to obtain a Certificate of Competence. Stockmen, hauliers and owners are required to sit a written test to gain a Certificate.
- Pesticides Directives: Regulating the use of pesticides was estimated to have cost Britain £107 million by July 2010.
- Food for the Most Deprived: This was originally a temporary measure intended to reduce food mountains in the 1980s. The budget ceiling is now €500 million, and most of the spending involves buying additional surplus food off the market. In 2009, the EU Court of Auditors report found the target definition vague and variable, the per capita impact negligible, and the system complicated and difficult to audit.
- Tobacco: Tobacco subsidies have long been recognised as illogical, especially as the EU stigmatises smoking. Tobacco plants are a pollutant, the budget at its height was immense (€1 billion), and the quality of the produce was such it had to be dumped overseas – and only Russia and the Third World would take it. The EU continues, however, to fund tobacco manufacturers (€1.5 million in 2010), and specific tobacco subsidies have been shifted into the Single Payment.
- One academic report estimated the impact of not introducing GM (Genetically Modified) crops into EU fields is losing farmers approaching €1 billion annually. Some of these crops are not grown in the UK, but others such as sugar beet, are grown here. Other studies such as that by Reading University put the cost at between €443 million and €929 million - whilst the Swedish Government's worst case scenario was €2.25 billion.
- There is also the cost to British companies of not being able to compete in this market, thanks to extremely slow and expensive licensing arrangements that render them uncompetitive. In 2012, the global value of biotech seed was estimated to run at \$14 billion.
- CAP Frauds: Are numerous and include: 'tweaked' farmers' union computers; organised crime involvement in subsidy fraud; country case studies with immense populations of non-existent suckler cows and notional olive groves; carousel fraud, claiming grants for exports which do not qualify for aid; multiple claims on the same produce repeatedly being shipped in a circle; and a European Commissioner forced to resign in 2012 over contacts with the tobacco lobby. A 2012 Court of Auditors report noted laconically: 'A farmer was granted a special premium for 150 sheep. The Court found that the beneficiary did not have any sheep. The corresponding payment was therefore irregular'.
- A TPA (TaxPayers' Alliance) study looked at comparative pricings of products before the UK joined the Common Market, and was able to compare increases up to

2004 with the equivalent costs that arose to consumers in New Zealand over the same period. If UK prices had increased at the same rates as in New Zealand, items such as sausages would be a third cheaper, and you could buy sirloin for less than the current price of rump steak. Butter would be a third cheaper too.

- In 2006, the Treasury gave an estimate that meant UK consumers were paying £5.3 billion more in higher food prices in the CAP than they would outside – and this at a time of relatively high world food prices where the EU's protectionism is less noticeable.
- An Action Aid report in 2011 looked at the case study of Bangladesh. It found that despite Bangladesh being a cheap milk producer, EU powdered milk imports undercut the local market and hamstrung the local dairy industry, by introducing competition that was subsidised at source and in its marketing.
- EU farmers are supported by the Single Farm Payments scheme, a protected home market due to high import tariffs, direct intervention and emergency ad hoc support programmes. Critically they also qualify for an export subsidy to offset high prices against lower world market rates, which in turn skews world prices outside of Europe lower as more produce remains on the market – a form of dumping.
- CAFOD (the Catholic Agency for overseas Development) has previously estimated that without the CAP, the EU would be able to retarget around £400 million of its development aid away from compensating subsistence farmers. More recently, in 2011, A UN Special Rapporteur called the CAP “a 50 billion Euro contradiction of the EU's commitment to help put developing world agriculture back on its feet.”
- It is perhaps a fitting metaphor that the longest word in the German language, the impossible: ‘Rindfleischetikettierungs-süberwachungsaufgabenübertragungsgesetz’, relates to beef labelling under EU law.

**If the UK was to leave the EU and instead have an alternative set-up such as an EEA Lite Agreement that would mean:**

- As with the EEA Agreement now for EEA members, the UK can take back full control of farming and fishing policy from the EU, and leave the disastrous EU Common Agricultural Policy and Common Fisheries Policy which have both been very damaging for the UK;
- Saving £1 billion a year in net Common Agricultural Policy (CAP) contributions (i.e. savings from UK contributions in to CAP exceeding what is paid back to UK farmers) while paying exactly the same level of subsidies such as Single Farm Payments to UK farmers as now, so the UK can leave the EU without any loss of subsidy for our farmers;
- The option of reforming the £10.3 billion a year CAP over time and producing a UK scheme that works better and more fairly for British farmers within WTO guidelines. Non-EU Norwegian farmers, for example, receive more in subsidy to allow for more challenging geographical conditions;

- The possibility of cutting the annual family bill down by upwards of £400 a year with a more efficient and targeted farming support schemes benefiting actual hands on farmers. The current CAP scheme is not well targeted. For example, in the UK, the top five CAP recipients from available data over 1999-2009 were revealed to be:

Tate and Lyle Europe (€828 million), Nestlé UK Ltd (€197 million), Meadow Foods Ltd (€129 million), Czarnikow Group Ltd (€129 million) and Philpot Dairy Products Ltd (€88 million). By contrast, the average income of a hill farmer in England in 2007 (before family labour was included) was £10,786. CAP also continues to variously fund organisations with a tenuous link to agriculture, such as chemical companies, prisons, laboratories, hotels, mines and quarries, industrial museums, telecoms businesses, schools, golf courses, inner city councils, water companies, horse breeders, caravan sites, sports clubs, and airports;

- Allowing appropriate Commonwealth and Third World foodstuffs into the country through more favourable direct UK trading arrangements and a UK Customs Union outside of the EU Single Market, whilst ending the appalling and immoral dumping of excess farm produce on fragile markets in the developing world;
- Returning full control over UK health standards including regular checking to the UK Food Standards Agency, and taking it away from the European Food Standards Agency. This will avoid confusion and ensure swifter sanctions when horse meat is found to be masquerading as beef in British supermarkets or over other serious food labelling and standards issues. It was shocking that the horsemeat scandal was only discovered thanks to checks made by the Irish Food Standards Agency, which still does do regular checks;
- A chance to have a proper national debate and decision-making in the UK about whether to ban or accept GM (Genetically Modified) food, and not be dictated to on this important policy by the EU;
- A greater sense of ownership in the UK over CAP spending, encouraging farming reforms and reducing fraud;
- The prospect of slashing many of the burdensome and costly EU regulations on farming, such as the Nitrates Directive, and replace these with sensible and balanced UK regulation for farmers; and targeted support based on need;

### **EEA Lite Explained**

The EEA Lite Agreement proposed is thus legally feasible. It parallels many aspects of the EEA Agreement in terms of institutions and relationships but contains fundamental differences in terms of its treatment of the EU acquis and free movement of persons.

I present here a new model of association with the EU, which I have called in somewhat marketing parlance, 'EEA Lite', in contrast to the existing, full 'regular' EEA Agreement. These sorts of models of association are legalistic, technical and not very people friendly, but EEA Lite is designed to sit somewhere between the



successful but over-prescriptive EEA Agreement launched in 1994 post the EU single market and the Swiss-style set of bilateral agreements, which are far more democratic but less structured, more idiosyncratic, and less clear institutionally in terms of surveillance and dispute resolution and provide only agreed sectoral access to the EU single market through additional agreements.

I am seeking to suggest a viable option, to show that the model is pretty much in existence and proven now and can be readily adapted, and to demonstrate how that option could unlock a great deal of benefits for the UK in terms of greater freedoms, opportunities and reduced costs - whilst maintaining friendly relations and full access to the EU single market for UK exporters of goods and services. What I have subsequently been surprised at is how comparatively straightforward the proposed amendments are. For example, the EEA Joint Committee between the EU and EFTA nations and the EU-Swiss Joint Committees are up and running and the notion therefore of an 'EU-UK Joint Committee' handling an EEA Lite Agreement would be comfortably based on proven practices and existing, successful operating institutions and procedures.

In setting out a strong case for a new Negotiated out relationship with the EU, I am not necessarily ruling out a Renegotiated In. It is true that I believe personally it is easier to negotiate an acceptable new deal for Britain under a legal exit framework agreed under EU law – Article 50 of the Lisbon Treaty – and using a revised version of an agreed and operating EU Agreement with European states – the EEA (Lite) model – than to seek to negotiate substantial return of powers from within the EU. Even avowed Federalists fear renegotiation and would prefer the UK to withdraw, their nightmare being that powers offered to one major member would open up a can of worms, which emboldens every member to seek some renegotiation of powers.

But it is legally and technically feasible to renegotiate powers from the EU as part of a new Eurozone Treaty – after all it is a negotiated Protocol (an annexe or amendment) in the Lisbon Treaty that has allowed the UK the chance to opt out of 130 Justice and Home Affairs measures such as the European Arrest Warrant, and the effect is similar to taking the UK towards an EEA Agreement position in this one area of Justice and Home Affairs. So if the EEA Lite model and arguments here help deliver an EEA Lite position but carved out from within the EU, then that might be acceptable, though it is my belief that it is time for Britain to end all EU fudges and have the courage to opt for a sustainable and liberating form of independence.

EEA Lite is a more flexible version of the existing EEA Agreement signed between three EFTA states and the EU on 1<sup>st</sup> January 1994. This EEA Agreement I term 'EEA Regular'.

'EEA Lite' differs from EEA Regular in 3 critical respects:

1) The UK will remain a member of the European Economic Area but will leave the single market ('Internal Market') itself – i.e. the UK single market will no longer be part of the EU single market but will remain fully open to goods and services from the

EU under this agreement, whilst UK goods and services exported to the EU will still be subject to EU single markets rules for the 8% of the British economy that trades with the EU, but the UK will be able to remove these rules for the 92% of the UK economy that does not relate to EU trade, and 80% of which is trade within the UK. This is more relevant to the UK as the Norwegians export to the EU five times per head more than the UK, and the Swiss three times as much per head.

For these reasons and also for reasons of the sovereignty concerns expressed by the Swiss, the UK will no longer seek to be part of a 'homogeneous European Economic Area based on common rules' but be fully open to the rest of the EEA in terms of trade, but with only UK exporters adopting EU common rules and homogeneity. UK standards, such as imperial measurements, would be restored within the UK single market and UK trading standard officers would enforce UK standards and not be agents of the EU. The existing EEA Regular agreement already allows members to retain their own customs unions. Other non-trade and non-essential aspects such as over social policy would be removed from the agreement, and be decided at national level.

2) The UK will be able to repeal existing EU legislation (Acquis Communautaire) and no longer be required to enact new EU legislation, as the UK Parliament thinks fit for the 92% of the UK economy that is not concerned with trade with the EU. This will bring huge economic benefits within the UK from cutting back over-regulation assessed at £118 billion a year, such as excessive social, employment, health & safety legislation – a sum equivalent to the NHS annual budget. The UK would also end its membership contributions to the EU of £20 billion a year (£12.2 billion net), though it will make contributions separately through a new UK Grants body to assist Eastern European states to develop.

3) This agreement will bring the UK closer to the Swiss position on immigration opt outs, enabled by safeguard clauses in the 1999 EU-Swiss bilateral agreement, and also determined by Swiss referenda. These clauses allow restrictions on long-term residence permits for different EU nations (Bulgaria and Rumania are very strictly restricted, the newer 8 EU nations restricted from April 2012 to a cap of 2,180 for 12 months on B permits granting foreign nationals residence status for 5 years, but with older 17 EU nations much less restricted with a cap of 53,700 for 12 months) once a certain worker limit is reached. The caps do not apply to short term residence visas of up to a year, and is estimated to have reduced numbers of mainly low skilled East European workers by 4,000-5,000 plus some dependants. There are no such visa restrictions on citizens from 15 member states such as Germany, France, Britain, Italy, Spain (these countries have unrestricted access to the Swiss labour market).

Reuters reported the reasoning was that, "Prosperous, non-EU Switzerland has seen the net influx of workers rise to up to 80,000 a year, contributing to a house price bubble and prompting criticism from right-wing parties." This shows what a helpful control lever the visa system provides, though the EU reaction was predictably hostile: Baroness Ashton claimed it was "a breach of the Agreement on the Free

Movement of Persons as amended by the Protocol of 2004. The agreement does not allow for any differentiation between EU citizens.” One in 4 people living in Switzerland is a foreigner, 1.87 million with over 1.2 million from EU states so the country is clearly not anti-immigration. EEA Lite would amend the 4 key freedoms to replace the Freedom of Persons by a Freedom of Workers.

This Freedom of Workers refers to those who contribute to national insurance and healthcare provision or who are studying in the UK, and allows for a visa system for individual EU countries, but removes any automatic right to entry to the UK or to receive UK benefits merely because they are EU citizens. There will also be more restrictions on the self-employed where the intention is to evade UK visa controls and/or UK taxation. In addition, there will be quality checks from UK professional bodies, such as the British Medical Association (BMA), when it comes to the mutual recognition of diplomas, certificates and formal qualifications to ensure that British residents are not exposed to dangerous practices such as over the Dr Ubani case with the deaths of patients such as Mr Gray in my constituency, where the doctor concerned should never have been allowed to practice in the UK.

### **Key Points about EEA Lite**

- EEA Lite builds on the existing freedom of control offered by the EEA Regular Agreement:

Freedom of control over Agriculture/ Fishing / Justice & Home Affairs (but opting in to special policing agreements such as over Europol co-operation separately, and leaving the European Court of Human Rights, which while being separate from the EU, membership of which is now required for members under the Lisbon Treaty) / Foreign Affairs & Defence / the Customs Union / over Economic and Monetary Affairs, and Trade (using EFTA). To these powers, EEA Lite adds back national control over Immigration and Borders, and control over many single market related areas such as Social policy, Employment, Health & Safety and Financial Services. EEA Lite confines the UK's relationship with the EU to that of trade and access to the 'common market'/EU Internal Market with friendly economic and cultural co-operation. These aims were all the British people wanted in the first place.

- The UK would rejoin the EFTA Council, its ruling body, as a member. The UK would sign the updated EFTA Convention, ensuring free trade between EFTA countries including Norway, Switzerland, Iceland and Liechtenstein (this the UK helped create in 1960), in a separate agreement to the EEA Lite model.
- The UK would regain its individual national seat and voice at the World Trade organisation (WTO), already enjoyed by EEA States and Switzerland, and which it is presently barred from doing by EU membership, thereby enhancing its international status and influence. The UK would either sign up to EFTA's range of 26 FTAs covering 36 nations (33 outside the EU including Canada, Gulf Cooperation Council, China (Hong Kong plus the mainland for Switzerland and Iceland), Singapore, South

African Customs Union covering 680 million consumers outside the EU), or retain existing EU 53 FTAs amended for the UK and then negotiate new FTAs through EFTA but with the UK in control of the ultimate decisions on the negotiations.

UK control of free trade agreements would ensure they are truly free trade, and remove the EU's increasing political and social control over trade agreements – such as the sustainability clause regarding human rights demands and emissions targets, which do not belong in agreements meant to further jobs and investment.

- The EU and UK would establish a new EU-UK Joint Committee - along the lines of the EU-Switzerland Joint Committee, founded in 1972 as part of the free trade agreement with Switzerland, and which has met nearly 60 times over 41 years - to handle issues of trade and relations between the EU and the UK.
- The UK would not join the existing EEA Council nor the EEA Joint Committee, as these bodies oversee the existing EEA Regular Agreement, but attend these meetings as the Swiss do, both in a representational capacity when it comes to discussion of EEA Lite Agreement matters, and as an observer on EEA Regular Agreement matters.
- The UK would form a new, independent UK Surveillance Authority, similar to the EFTA Surveillance Authority and the proposed new Swiss Surveillance Authority (proposed on 20th March 2012), to oversee the implementation of the EEA Lite Agreement in the UK in a non-partisan manner, but without being subject to non-British remote oversight such as the EU Commission.
- The UK would establish a new UK Trade Court, similar to the EFTA Court, to rule on any trade, competition, Intellectual Property or similar disputes under this agreement. The Court may take into account judgements of the European Court of Justice (ECJ) and the EFTA Court by means of informed opinion, but would not be bound by those Courts. There shall be an ultimate appeal to the UK Supreme Court, building on the UK's fine international tradition of an independent judiciary. This is similar to proposed new arrangements in Switzerland.
- The EU and UK would form a new EU-UK Joint Parliamentary Committee, along the lines of the EEA and Iceland Joint Parliamentary Committees, which shall be composed of EU MEPs and British Westminster MPs and Lords to help oversee the smooth workings of the EEA Lite Agreement.
- The UK would in principle seek to continue to provide support for the 'reduction of economic and social disparities' within the EEA area but through a non-EU mechanism directly under UK control. Similar to the Norway Grants and EEA Grants body the UK would establish a new UK Grants body which would dispense UK grants to worthy causes directly and not be paid through the wasteful and fraudulent EU system. The value of these contributions would be negotiated in a separate agreement with the EU, just as Norway and the EEA negotiate such voluntary contributions. They would not be express terms of the EEA Lite Agreement.

• Just as EFTA countries sign up to certain EU Programmes and contribute expertise and financial contributions, so would the UK sign up to EU Programmes where the UK Parliament thought it desirable. A list of EFTA participation and proposed UK participation is shown below The EU Programmes the UK may decide to keep within are proposed to be:

- The Seventh Research Framework Programme (FP7)
- Competitiveness and Innovation Programme
- Lifelong Learning Programme
- Erasmus Mundus II (Actions 1 and 3)
- European Statistical Programme
- European Institute of Innovation and Technology
- Intermodal Transport (Marco Polo II)
- Civil Protection Financial Instrument
- Implementation and Development of the Internal Market
- Consumer Programme
- MEDIA Mundus Programme
- Drugs Prevention and Information Programme
- Modernisation of EU Enterprise and Trade Statistics (MEETS)

It is not proposed to continue with EU programmes with current EFTA state participation in fields of: Lifetime Learning Programme (e.g. ending Jean Monnet scholarships), Galileo Programme (Norway only), Youth in Action, MEDIA programme, Employment and Social Solidarity (PRoGRESS), Culture Programme, Programme of Community Action in the field of Health, European Employment Service (EURES), Fight Against Violence (Daphne III), Interoperable Delivery of European eGovernment Services to Public Administrations, Businesses and Citizens (IDABC), Safer Internet Plus Programme, Marco Polo Programme.

• Just as EFTA countries sign up to certain EU Agencies and are involved in their operation and assist with financial contributions, so the UK would sign up to supporting certain EU Agencies where the UK Parliament thought it desirable.

The EU Agencies the UK may decide to keep supporting are those primarily to do with trade or activities spreading across European borders, and these are proposed to be:

- The European Aviation Safety Agency
- European Centre for Disease Prevention and Control
- European Chemicals Agency

- European Food Safety Agency
- European GNSS Agency
- European Maritime Safety Agency
- European Medicines Agency
- European Network and Information Security Agency.

It is not proposed to continue with EU Agencies with current EFTA state participation in fields of: the European Agency for Safety and Health at Work, European Centre for the Development of Vocational Training, European Environment Agency, European Foundation for the Improvement of Living and Working Conditions, European GNSS Agency, and the European Railway Agency.

- The UK would seek to continue to influence the EU legislation now limited in effect to the 8% of the British economy that trades with the EU. As with EEA States, the UK would influence EU legislation at an early stage by participating in the EU Commission's comitology committees on new legislation – as EFTA states sit on 500 comitology committees and expert groups and who have 1,500 organisations, public bodies and entities participating in EU programmes (such as 15,000 students who have studied through Erasmus), but on a reduced scale owing to a reduced commitment to such programmes and agencies.

The EU Commission will also be duty bound under EEA Lite to seek advice from UK experts in as wide a participation as possible, and on the same basis as EU member states experts, and transmit this to the EU Council as necessary. The legislation will then be examined by an exchange of views at the EU-UK Joint Committee, and be further discussed at significant moments in what is described as a 'continuous information and consultation processes. The fact that the UK will be able to set its own legislation for the UK single market again, as the US, Japan, China and other nations do whilst trading with the EU without tariffs, will in itself be influential on EU legislation that departs greatly in scope and cost burdens from UK domestic legislation.

- The UK would also participate in the Standing Committee of the EFTA States and its working groups, as required. The main features of the EEA Lite Agreement, which include modifications to the EEA Regular Agreement, include: The UK will leave the European Union as a member and rejoin the European Free Trade Area (EFTA), which the UK co-founded in 1960 to counterbalance the formation of a more protectionist European Community. The UK and EU will enjoy the benefits of trade and economic cooperation.

The EEA Lite Agreement will remain true to the main features of the EEA Regular Agreement. It shall:

- Secure the main Objectives of the EEA Agreement: the 4 Freedoms: Freedom of Goods, Freedom of Services, Freedom of Capital and Freedom of Peoples - but with caveats that make Freedom of Persons essentially a Freedom of Workers, for workers and students, and introduce a new visa system for EU citizens, where required, and restrictions on welfare benefits limiting them to a contributory basis only.
- Ensure competition is not distorted and the rules are equally respected.
- Deliver close co-operation in other areas such as research and development, education and the environment.
- Work to World Trade Organisation guidelines such as the World Customs organisation's Harmonized Commodity Description and Coding System and Rules of origin (i.e. establishing where goods were made where multinational input).
- Be subject to a 2 year review period.
- Be a customs free area.
- Have no quantitative restrictions on imports or exports (i.e. no quotas).
- Allow prohibitions or restrictions based on grounds of public morality, public policy or public security, on health grounds, national treasures or protecting industrial or commercial property, but without arbitrary discrimination or disguised restrictions.
- Not allow internal taxation as means of protectionism.
- Not allow discrimination by State monopolies, or any unfair State trade practices.
- Simplify border controls and correct customs law application.
- Support Freedom of movement for Workers: to allow workers to accept offers of employment, to move freely in the EEA area for this purpose, to stay in a state for that purpose, though public sector employment is excluded, but not to remain in a state having being employed there automatically and no right to benefit unless entitled to by contributions made and not applying to self-employed if for the purposes of avoiding visa controls and UK taxation.
- Not discriminate against workers based on nationality.
- Ensure mutual recognition of diplomas, certificates and evidence of formal qualifications but subject to agreement of UK professional bodies as to what qualifies on mutuality to ensure proper standards are maintained.
- Not allow restrictions on right of establishment of companies in EEA member states, and have no discrimination on grounds of nationality, with exception of special treatment being allowed on grounds of public policy, security or public health.
- Have no restrictions on right to provide services within EEA states and pursue the provision of service under the same conditions as a State's own nationals.
- Allow no restriction on the movement of capital belonging to persons resident in EU Member states or EFTA States such as the UK, with exceptions where movements

of capital could lead to disturbances in the functioning of the capital markets or if a state is in difficulties such as suffering disequilibrium in balance of payments.

- Support an exchange of views and information, and discussions, regarding integration of economic activities and the conduct of economic and monetary policies on a non-binding basis. This is in marked contrast to ongoing economic and fiscal union in the Eurozone region.

- Allow some transport coordination measures, where necessary, such as no discrimination against carriers on grounds of country of origin, or subsidised operations and no charges or dues for crossing borders.

- Not allow the prevention, restriction or distortion of competition by undertakings (businesses), such as through fixed purchase or selling prices, market limits or controls, unfair selling prices, limiting production or other such devices. Infringements by businesses or by a State are subject to investigation by the surveillance authority, such as by the proposed new UK Surveillance Authority. Concentrations are controlled.

- Not allow State Aid that distorts or threatens to distort competition by favouring certain undertakings or production of certain goods – these are considered incompatible with the agreement unless aid is social and non-discriminatory, for natural disasters etc. Aid is allowed to promote economic development in areas with low standard of living / high unemployment, to assist certain economic activities or areas, or where of vital national interest or in other special cases. This to be constantly reviewed by the surveillance authorities, including the proposed UK Surveillance Authority with appeals via the EU-UK Joint Committee to seek fast remedies. Rules apply to Public Procurement and to Intellectual, Industrial and Commercial Property.

- Delete the EEA's Social Policy provisions from EEA Lite on the grounds that this area is not directly about trade and should be left to the nation state to decide. Deletions include areas of health and safety law, labour law, employment law, pay discrimination and national minimum wage setting which are all to be decided in the UK.

- Have consumer protection provisions.

- Agree broad environmental objectives such as preserving, protecting and improving the quality of the environment, on human health, ensuring a prudent and rational utilization of natural resources, based on principle of taking preventative action, reducing environmental damage and the polluter paying. But EEA Lite will ensure environmental action in the UK becomes a UK sovereign matter again, including setting of any UK environmental targets, in line with international agreements and not be dictated by EU-wide targets and agreements. Environmental and Energy policy will no longer be an EU competence in the UK.

- Ensure that the Contracting parties cooperate to ensure the production and dissemination of coherent and comparable Statistical information to monitor all



relevant economic and trade aspects of the EEA. To this end, harmonised data and common programmes will be supported, where appropriate.

- Encourage friendly co-operation outside the 4 Freedoms. This covers a range of appropriate activities such as: research & technological development, information services, the environment, education and training, consumer protection, small and medium-sized enterprises, tourism, the audiovisual sector and civil protection.
- Encourage other co-operation including EU framework programmes, projects, co-ordination of activities, exchange of information, parallel legislation of similar content, and coordination with third parties / international organisations.
- Where the UK chooses to participate in EU framework programmes, it shall have access to all parts of the programme, shall have a sufficient status on those committees assisting the EU, and have its financial contributions recognised. At the project level, institutions, undertakings, organisations and nationals of the UK will have the same rights and obligations in an EU programme as their equivalents in other EU member states, as with exchanges, and also the same rights as regards to the dissemination of results, and information. Financial contributions shall be made according to commitment appropriations and payment appropriations entered each year into the appropriate budget line in the EU Budget, and agreed in the EU-UK Joint Committee.
- Establish a new EU-UK Joint Committee, in the manner of the EEA Joint Committee, to ensure the effective implementation and operation of the EEA Lite Agreement. It shall carry out exchanges of views and information, consultations and take decisions on cases provided for in this Agreement. The EU-UK JPC shall meet monthly; have a President alternating between the UK and a representative of the EU, such as an MEP or a Commissioner. It will set its own rules of procedure and may establish any subcommittee or working group to assist its tasks. The EU-UK Joint Committee will issue an annual report on the functioning and development of this Agreement.
- Establish a new EU-UK Joint Parliamentary Committee, composed of equal numbers of EU MEPs and UK MPs and Lords, and vary where it holds sessions between the EU and the UK. Its aim shall be to contribute to a better understanding between the EU and the UK, express its opinions in the form of reports and resolutions, and examine the annual report of the EU-UK Joint Committee. It may hear presentations by the President of the EEA Council and EFTA representatives as appropriate. It shall determine its own rules of procedure.
- EEA Lite will not formalise co-operation between economic and social partners but handle this under the EU-UK Joint Parliamentary Committee business.
- Ensure continued influence over EU legislation that is of ongoing relevance to the UK, such as single market legislation affecting the 8% of the UK economy trading with the UK of consequence to UK exporters of goods and services. As with EEA states, who sit on 500 comitology committees and expert groups and who have

1,500 organisations, public bodies and entities participating now in EU programmes (such as 15,000 students who have studied through Erasmus), the EU Commission will be duty bound to seek advice from UK experts in as wide a participation as possible, and on the same basis as EU member states experts, and transmit this to the EU Council as necessary.

As soon as new legislation is drawn up in a field governed by this Agreement, it must informally seek advice from experts from the UK in the same way as it seeks advice from experts in the EU member states on the elaboration of its proposals. When transmitting its proposal to the EU's Council of Ministers, the EU Commission shall transmit copies to the UK. The legislation will then be examined by an exchange of views at the EU-UK Joint Committee. At the request of either Contracting Party, the legislation shall be further discussed at significant moments in what is described as a 'continuous information and consultation process'. The British opt out on the mass of EU legislation within the UK representing 92% of the economy means Westminster regains control over most laws, and claims of a lack of influence over EU laws in the EEA Regular Agreement ('faxed democracy' claims) will not apply. British organisations, public bodies and entities will also continue to participate in a number of EU programmes, as now.

- Confirm that the requirement for homogeneity on the UK side only applies to UK exporters of goods and services to the EU. As stated, the UK intends to regain control of its own core UK single market – 80% that is trade within the UK, and 12% being trade outside the EU. As a result, the UK would establish a new UK Trade Court, similar to the EFTA Court, to rule on any trade, competition, trade mark or similar disputes under this agreement. The Court may take into account judgements of the European Court of Justice (ECJ), the EU's General Court and the EFTA Court by means of informed opinion, but would not be bound by the decisions of those Courts.

There shall be an ultimate appeal to the UK Supreme Court, building on the UK's fine international tradition of an independent judiciary. This is similar to proposed new arrangements in Switzerland.

- Establish a new, independent UK Surveillance Authority, similar to the EFTA Surveillance Authority and the proposed new Swiss Surveillance Authority (in Swiss Confederation proposals of 20th March 2012) to oversee the implementation of the EEA Lite Agreement in the UK in a non-partisan manner and to provide a suitable surveillance procedure.

The UK Trade Court would be competent in particular for: (a) actions concerning the surveillance procedure regarding the UK (b) actions concerning decisions in the field of competition taken by the UK Surveillance Authority and (c) the settlement of disputes between two or more EFTA States. The UK Surveillance Authority will cooperate and both monitor aspects of this agreement. A pecuniary obligation on persons shall be enforceable if a decision reached by the UK Surveillance Authority and EU Commission, and be enforced using rules of civil procedure in relevant state.

- Regarding settlement of disputes, allow the EU or the UK to bring a matter under dispute before the EU-UK Joint Committee, which may settle the dispute using all information necessary for an in depth examination of the situation. An appeal may be made to the UK Trade Court or UK Supreme Court, as required, for a resolution of any impasse within 3 months after it has been brought before the EU-UK Joint Committee and has not been resolved - but not to the ECJ as with the EEA Regular Agreement.
- Make unilateral Safeguard and other measures available, if necessary. If serious economic, societal or environmental difficulties of a sectoral or regional nature are liable to persist, appropriate safeguard measures can be taken, but the EU-UK Joint Committee must be notified, and immediate consultations held. These measures would be subject to a three monthly review. Proportionate rebalancing measures that are strictly necessary are allowed, and that least disturbs the functioning of the agreement.
- On the Financial Mechanism side, confirm that the UK would in principle seek to continue to provide support for the 'reduction of economic and social disparities' within the EEA area but through a non-EU mechanism directly under UK control. Similar to the Norway Grants and EEA Grants body entitled the EFTA Financial Mechanism office, the UK would establish a new UK Grants body, the UK Financial Mechanism office, to work closely with the EFTA Financial Mechanism office, based in the UK which would dispense UK grants to worthy causes directly and not be paid through a wasteful and fraudulent EU system, one which the Norwegians used to use but stopped doing so for this reason. The value of these contributions would be negotiated in a separate agreement with the EU, just as Norway and the EEA negotiate such voluntary contributions. They would not be express terms of the EEA Lite Agreement.
- Allow the extension of relations between the parties, or their reduction, as desired by the parties. To extend or to reduce relations, a reasoned request to the other Contracting Party/Parties would be made and be submitted to the EU-UK Joint Committee for consideration.
- Allow Contracting parties to take any measures which it considers necessary to prevent the disclosure of information contrary to its essential security interests, or for products indispensable for defence purposes, providing they do not compromise competition, or if essential to its own security in the event of serious internal disturbances or in times of war.
- Include all the territories of the European Union, including Croatia as a recent accession nation, and include on the UK side the territories of the United Kingdom of Great Britain and Northern Ireland. It may also include Crown dependencies such as the Channel Islands, if these dependencies opt to join the EEA Lite Agreement, as they are not members of the EU and are semi-independent within the UK.

- Specify a minimum 12 month notice of withdrawal from the Agreement. It shall also state that immediately after such an intended withdrawal, the other Contracting Parties shall convene a diplomatic conference to envisage the necessary modifications to bring to the Agreement.
- Allow for the EEA Lite Agreement model to be extended to other parties if they apply to join the Agreement, and are a European nation outside of the EU, including any EEA member - such as the Swiss Confederation - who wishes to apply, or non-EU and non-EEA European nations or indeed existing EU member states who also wish to leave the EU under Article 50 of the Lisbon Treaty, as the UK will have done. It may address its application via the EU and the EFTA Council.
- Give an anticipated date for signing of this EEA Lite Agreement (EEA Agreement (UK Variation)) as July 2018, post a UK In/out Referendum to be held by the end of 2017, with a proposed implementation date of 1st January 2019.

## Campbell, Chris

### Q1. Should the EU have competence for agriculture and plant health?

No, whilst I strongly support the EU I feel that they should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

Q2. - Q15. Not Answered

## Cardwell, Professor Michael

### Submission by Michael Cardwell, Professor of Agricultural Law, University of Leeds

#### 1. The National Interest of the United Kingdom

Identification of a clearly defined 'national interest' for the purposes of both the formulation and implementation of agricultural policy may present considerable challenges, not least by reason of the potential for competing priorities as between farmers and consumers. Significantly, this tension is also inherent within the Treaty objectives of the Common Agricultural Policy as enshrined in Article 39(1) of the Treaty on the Functioning of the European Union (TFEU): for example, ensuring 'a fair standard of living for the agricultural community' may not be immediately compatible with ensuring 'supplies reach consumers at reasonable prices'. Indeed, in Case 5/67, *Beus v. Hauptzollamt München*, [1968] ECR 83, the European Court of

Justice (ECJ) expressly affirmed that, since the Treaty objectives were intended to safeguard the interests of both farmers and consumers, they ‘may not all be simultaneously and fully attained’. What would, however, seem clear from European Union jurisprudence is that the Community institutions have had the latitude to allow any one of the Treaty objectives ‘temporary priority in order to satisfy the demands of the economic factors or conditions in view of which their decisions are made’: see, for example, Case 5/73, *Balkan v. Hauptzollamt Berlin-Packhof*, [1973] ECR 1091. On the other hand, no one objective is to be pursued in isolation to the degree that the achievement of the others becomes impossible: Case C-137/00, *The Queen v. Competition Commission, ex parte Milk Marque Ltd*, [2003] ECR I-7975.

## **2. A Competitive Food and Farming Sector**

The ability of the United Kingdom to champion a competitive food and farming sector may not always be hindered by regulation at European Union level and two instances may be highlighted. First, competitiveness is enshrined in the first of the Treaty objectives, namely, ‘to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour’; and, for the reasons already mentioned above, this objective could be accorded at least temporary priority. Moreover, it may be observed that, although the ‘European Model of Agriculture’ has generally been associated with multi-functionality and the delivery of ‘public goods’ (such as the protection of the environment and high standards of animal welfare), the European Commission has consistently regarded greater market orientation and increased competitiveness as integral to that model: see, for example, European Commission, *Mid-term Review of the Common Agricultural Policy* COM (2002)394, 5. More recently, in the policy documentation which initiated the present reforms of the Common Agricultural Policy, there was unequivocal assertion that ‘it is important to continue to enhance the competitiveness and productivity of the EU agriculture sector’, with justification now also being provided by the imperative of contributing to global food security: European Commission, *The CAP Towards 2020* COM(2010)672, 4-5. Accordingly, in this regard, European Union and United Kingdom Government policy priorities may not currently be so far out of alignment. That said, European Union policy priorities (and, indeed, those of the United Kingdom) are always open to change, with the result that in the future there may be substantial divergence; and, in addition, the reality is that competence enjoyed under the ordinary legislative procedure by other Member States and by the European Parliament may preclude the translation into law of those European Commission initiatives which are in line with United Kingdom Government policy.

Secondly, ‘adding value’ has been widely advocated as a means of securing a competitive food and farming sector: see, for example, *Report of the Policy Commission on the Future of Farming and Food: Farming & Food – a Sustainable Future* (‘Curry Report’) (2002). And, in this context, regulation at European Union

level may be of particular benefit: as recited in Regulation (EU) 1151/2012 of the European Parliament and of the Council on quality schemes for agricultural products and foodstuffs, '[ensuring uniform respect throughout the Union for the intellectual property rights related to names protected in the Union is a priority that can be achieved more effectively at Union level'; and '[a] Union framework that protects designations of origin and geographical indications by providing for their inclusion on a register facilitates the development of those instruments, since the resulting, more uniform, approach ensures fair competition between the producers of products bearing such indications and enhances the credibility of the products in the consumers' eyes': [2012] OJ L343/1, Preamble (19) and (20). Furthermore, such benefit would also seem to be recognised by the United Kingdom Government, as recently evidenced by the enthusiastic welcome given to the grant of Protected Geographical Indication status to Yorkshire Wensleydale.

### **3. Wider European Union Regulation in respect of the Food and Farming Sector**

Even if the European Union were to cease to have any competence under the Agriculture and Fisheries Title, there are good reasons to believe that other areas of European Union regulation would still have the capacity to impact upon farmers and the wider food chain. Thus, as highlighted in the *Call for Evidence*, Article 11 TFEU requires that '[environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities, in particular with a view to promoting sustainable development'; and Article 13 TFEU stipulates that full regard should be paid to the requirements of animal welfare in a range of policies which, even if agriculture were to be excluded, would still extend to, *inter alia*, the internal market.

In addition, it would not be easy to discount the effect on the food and farming sector of European Union legislation in respect of food safety and, in this context, it may be noted that the umbrella Food Safety Regulation (Regulation (EC) 178/2002 of the European Parliament and of the Council laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety [2002] OJ L31/1) was enacted on the basis of not just the Agriculture Title, but also those on the Approximation of Laws, Common Commercial Policy and Public Health. Similarly, food regulation more generally will engage the obligation under Article 12 TFEU to take into account consumer protection requirements in defining and implementing other European Union policies and activities, while Article 194 TFEU expressly includes within European Union energy policy both energy security and the development of new and renewable forms of energy. With specific regard to renewable energy, the ability to regulate agricultural practices outside the Agriculture Title is evident in the Renewable Energy Directive (Directive 2009/28/EC of the European Parliament and of the Council on the promotion of the use of energy from renewable sources [2009]

OJ L140/16), which imposes sustainability criteria on the production of biofuel feedstock without reference to any agricultural Treaty basis.

Likewise, European Union jurisprudence would suggest that, even if there were no Agriculture and Fisheries Title in the TFEU, legislation might still be enacted at European Union level in ways which would affect, if not agriculture, at least the rural economy: for example, in Joined Cases C-164/97 and C-165/97, *Parliament v. Council*, [1999] ECR I-1139, the ECJ annulled an attempt to impose certain forestry measures enacted under the Agriculture Title on the basis that such measures should rather have formed part of European Community environmental action (and this was so notwithstanding that the measures in question may have had 'certain positive repercussions on the functioning of agriculture').

#### **4. Greater Discretion Accorded to Member States**

There is evidence of a continuing trend for Member States to be granted greater discretion when implementing the Common Agricultural Policy, this being consistent with the principle of subsidiarity as contained in Article 5 of the Treaty on European Union. Definitely at the 2014 Oxford Farming Conference Commissioner Ciolos was of the view that current reform 'allows the UK flexibility and tools to address UK specificities and priorities without impacting on other Member States, but within the single market'. Thus, in terms of specific provisions, the new direct payments regime (as laid down by Regulation (EU) 1307/2013 of the European Parliament and the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy [2013] OJ L347/608) contains several options which go beyond those found in the earlier legislative framework. For example, it is for Member States to elect whether or not to introduce the new redistributive payment to target support to small and medium-sized farms, the new payment for areas with natural constraints and the new Small Farmers Scheme. And greater latitude is accorded to Member States when implementing certain pre-existing forms of direct payment, such as voluntary coupled support (where up to 13 per cent of national ceilings may now be so employed).

Nonetheless, the direction of travel would not seem to be all in one direction. Again by way of illustration, the new payment for young farmers is mandatory; and there is a concerted effort to achieve convergence of payment entitlements both externally as between Member States and internally within Member States. At the same time, the grant of greater discretion to Member States may lead farmers to feel aggrieved that its exercise has rendered 'the grass to be greener on the other side of the fence'. Such a sense of 'unfairness' may be detected in Case C-292/97, *Karlsson*, [2000] ECR I-2737, where Swedish milk producers argued (in the event, unsuccessfully) that the obligation upon all of them to comply with national environmental requirements constituted discrimination as compared with producers in other Member States. Moreover, similar sentiments were apparent in Case C-428/07, *The Queen (on the application of Mark Horvath) v. Secretary of State for Environment, Food and Rural Affairs*, [2009] ECR I-6355, where it was alleged that

discrimination arose in consequence of English farmers being subject to a more onerous cross-compliance regime than farmers in Scotland, Wales and Northern Ireland. The ECJ, however, was clear that, if the constitutional system of a Member State provided that devolved administrations were to have legislative competence, the mere adoption by those administrations of different cross-compliance obligations did not in itself constitute discrimination contrary to Community law.

## Centre for European Reform

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes. Different national support schemes and regulations would undermine the single market.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

The single market benefits the UK national interest. If it remains inside the EU, the UK cannot pick which parts of the single market rules it obeys. The UK could leave the EU and join the EEA. It would not then have to implement (or contribute to) the CAP. But it would have to follow most single market rules, with no vote or influence over their setting.

#### **ii) disadvantages the UK national interest?**

A forthcoming CER publication on trade accepts that “agricultural products [have] certainly been diverted from outside the EU to within it. The Common Agricultural Policy (CAP) is clearly costly: several studies have found that trade in agricultural goods diverted by the CAP outweighs any trade created within the Union.” (This will be available from 20 January on <http://www.cer.org.uk/publications/archive/policy-brief/2014/impact-eu-exit-uks-trade-and-investment>)

**Q6. – Q7.** Not Answered

### **Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU’s role in negotiating them help or hinder the UK national interest?**

Agriculture is a traded sector. Action should therefore be taken in the widest possible area. Global trade negotiations are not progressing: agreements are increasingly bilateral. The EU should continue to negotiate on trade: the UK would have little influence negotiating alone.

**Q9. – Q10.** Not Answered



**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

Oxfam argues that 60 per cent of global land deals over the last decade have been for biofuel production, and that the EU biofuel policy could increase maize prices by 22 per cent and wheat prices by 10 per cent by 2020.

<http://www.oxfam.org/en/grow/policy/hunger-grains>. As the Environment Agency has argued, biomass can have the same negative impacts as biofuels.

As well as the effect on prices, bioenergy policy has a significant impact on the climate. An expansion of bioenergy production will unavoidably cause changes in land use. Land can act either as a sink or a source of greenhouse gases. Grassland, for example, captures and stores considerable amounts of carbon dioxide. If the grassland is ploughed up in order to grow energy crops (direct land use change) most of this carbon dioxide is released. If land that had been used to grow food is converted to growing energy crops the food has to be grown elsewhere (indirect land use change). Indirect land use change is the hardest of these to measure, but is almost certainly the most significant of the potential negative climate impacts of bioenergy.

(For more on bioenergy, see <http://www.cer.org.uk/publications/archive/policy-brief/2012/how-expand-renewable-energy-after-2020>)

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

Direct payments should be phased out. Environmental and climate protection should be achieved through regulation instead. The CAP cannot achieve its wildlife and climate goals – including the current cross-compliance rules which require farmers to follow certain environmental rules in return for subsidy – without regulation. Business is generally required to meet environmental regulations without being paid for its trouble. Why should farms be treated differently? The EU should treat agriculture in the same way as other sectors by requiring it to support environmental and climate public goods without subsidy, and by restricting subsidies to those farmers who actually need financial support. Future CAP payments should go only on income support and rural development. Such a focus would allow the EU to reduce overall CAP spending, with less going to farmers in western Europe and more to farmers in eastern Europe.

For more on changes to funding, see

[http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2012/pb\\_budget\\_5april12-4897-4947.pdf](http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2012/pb_budget_5april12-4897-4947.pdf)

For more on agricultural regulation, see

<http://www.cer.org.uk/publications/archive/policy-brief/2011/chance-further-cap-reform>

**Q13. – Q15.** Not Answered

## Champion, T

### **Q1. Should the EU have competence for agriculture and plant health?**

No, in my view, the EU should not have plant health except in defining phyto-sanitary requirements for plants +/- seeds brought into the EU from non-EU countries.

Neither do I feel that the EU should have competence over agriculture, and especially not over home-growing, heirloom/low commercial value crops and self-sufficiency/smallholding.

EU competence over agriculture permits one country to lobby to control the crops which another country may grow, and serves to further the interests of e.g. American GMO/seed/herbicide giants, Monsanto, to the exclusion of UK agricultural R&D and plant breeders.

EU competence over horticulture is unwelcome, groundless and deeply harmful.

In respect of the current review of EU seed law: At a time when the UN recognizes that the future of food is agro-ecological, local and diverse, the European Commission proposal will criminalize the growing and vibrant alternatives based on seed freedom and food democracy. At a time when consumers are making a choice for local, ecological, healthy, tasty, nutritious and chemical-free and GMO-free food, the proposed EU seed law is robbing consumers of their food freedom.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

The current review of EU seed law, I believe harms UK agriculture, and horticulture.

At a time when the UN recognizes that the future of food is agro-ecological, local and diverse, the European Commission proposal will criminalize the growing and vibrant alternatives based on seed freedom and food democracy. At a time when consumers are making a choice for local, ecological, healthy, tasty, nutritious and chemical-free and GMO-free food, the proposed EU seed law is robbing consumers of their food freedom.

In terms of livestock, open borders have probably assisted the spread of some of the infectious diseases that the UK has acquired within recent decades, but even if the UK were to close all trade connections with the outside world, such outbreaks would continue to crop up occasionally.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less. Again the seed law seems to me a prime example of where British entrepreneurial guile and consumer choice are to be stymied by an EU department that is not listening to any of its critics.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

There would be a global market even if there were not a single, open market within the EU. In my view, it is inevitable that the British Middle Class expect exotic, foreign and, above all, cheap, goods, including out-of-season foods, and plants; and they have access to them at Tesco and via the internet.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

I am not sufficiently knowledgeable about Forestry to venture an opinion.

**ii) disadvantages the UK national interest?**

I am not sufficiently knowledgeable about Forestry to venture an opinion.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Decisions need to be made by a body that is willingly transparent and accountable to an electorate. This suggests to me that the level should be UK-wide, but this is not to say that I believe that DEFRA gets it right all the time, nor that politicians abstain from interfering.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

I admit that I am unable to see evidence of a beneficial balance of decision making. DGSANCO seem to be ignoring everyone.

**ii) disadvantages the UK national interest?**

DGSANCO seem to be ignoring everyone, (including DGENV & DGAGRI): this is a lamentable state of affairs.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest? I am unable to comment.**

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?** No comment.

**ii) How could current arrangements be improved?** No comment.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The current review of EU seed law, I believe harms UK agriculture, and horticulture. This is a one-size fits all approach which doesn't have the beneficial effects described in its own precis.

At a time when the UN recognizes that the future of food is agro-ecological, local and diverse, the European Commission proposal will criminalize the growing and vibrant alternatives based on seed freedom and food democracy...

I have no desire to be compelled to use GMO seed from the world's largest seed company, nor to have GMO ingredients in my food by default. Furthermore I can see no good reason why smallholders and gardeners should not be free to buy or save seed from traditional or heirloom varieties.

There is a long history of small-scale agriculture in the British Isles and the numerous varieties of heritage plants and trees developed over the centuries and either handed down through the generations of gardeners or sold through our seed companies are a source of national pride. They represent the ambitions and work of generations of gardeners producing seed that suit our climate and needs and produce food for the nation.

It would be tragedy to allow this part of our national heritage to disappear because of the ethics and motives of the big businesses. Small producers who currently supply gardeners will be forced out of business and the needs of the ordinary gardeners and smallholders will be ignored.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?** No comment.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.** No comment

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Challenges:

\*Food Security

\*Biosecurity

\*Climate Change

\*The vulnerability of systems reliant on global trade to global economic instability, the new world order (China/India) and to problems in the supply of affordable oil/energy

\*Lumbering bureaucracy, self-interest and an inability to accept change/new ideas

Opportunities:

\*Thinking outside the box to meet these challenges ahead of sudden crisis

\*Up and coming individuals with real vision

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Wherever there are signs of transparency, efficiency, accountability and a fresh approach. I would suggest that if these are not present at any level, then there is little hope! (I would hope this is achievable at a National level).

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I am not, on the whole, anti-Europe, but I have been disquieted on a number of occasions by such things as:

\*One EU state seeking to use EU legislation to ban another from growing an economically important crop

\*Multiple examples of continental Europeans passing laws, which they then ignore, and laughing at the British as they tie themselves in knots to stay within them

\*The making of European laws which seem designed to favour a tiny minority of the people/businesses/states that they cover

This is not to say that I think DEFRA have a spotless reputation either, but that linking the needs of the people and the actions of the civil servants should be easier to accomplish at a national level.

## **Chandler, David**

**Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. - Q15.** Not Answered

## Chapple, Andi

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should have competence for large-scale agriculture, but member states should be allowed to make their own laws covering the sale and use of plant reproductive materials for home and allotment growing. Home growing is completely different from large-scale farming and there is no profit motive involved. EU citizens need protecting at an EU level from multinational companies and GMOs need legislation at a high level because they may spread or contaminate seeds for industrial agriculture, but it is safe and appropriate for member states to make their own decisions on home growing.

**Q2. – Q15.** Not Answered

## CLA

### **Introduction**

The CLA represents over 33,000 members in England and Wales. Our members both live and work within rural areas; they operate a wide range of businesses including residential, agricultural, tourism and commercial ventures – at the last count the CLA represents some 250 different types of rural businesses.

We have been looking after the interests of our members, as well as promoting the positive aspects of land ownership, land management and rural business activities for the past 100 years. CLA members own or manage approximately half the rural land in England and Wales including edge of settlement locations and some urban portfolios. The quality of the countryside, and its natural resources, is of vital importance to our members. Most objectives for the countryside - economic, social and environmental - rely on landowners and managers for their success.

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes it should. It is clearly advantageous and appropriate for the EU to have competence in this area, primarily because it is a key component in underpinning the ability and reassurance for farmers, traders and suppliers to be able to trade within a common market. The EU and Member States have shared competency for plant health. This approach is probably the best solution for a difficult and complex problem. The issue is how and how quickly problems are dealt with as they arise.

The UK has a competitive market for providing high quality produce because it is able to trade these products within the EU, and use the EU's position and influence to draw up trading agreements with third countries. Agricultural trade is key to the economies of all Member States and the need to have a wider oversight is clear.

Due to the need to ensure that free trade in agricultural products takes place between EU Member States, only the EU could implement the appropriate criteria to ensure that this is carried out. Any alternative would increase pan European plant health risks, as each Member State would be tasked with drawing up its own system or scheme to address this.

As a broad policy area, the EU should maintain overall competence in agriculture. The CAP provides funding and resources for the UK to achieve objectives for sustainable development. It also provides funding for agri-environment measures, which may not be achievable at a local level.

In the absence of EU competence for agriculture, UK farmers would not be confident about the levels of support or funding that the UK Government would be capable of providing and its efficiency. The levels are unlikely to be on a comparable scale to that provided by the EU. Thus if competence for agricultural policy was repatriated, it would adversely impact UK farmers' ability to compete with their EU counterparts.

## **Q2. What evidence is there that the EU approach to agriculture:**

In terms of cost of the CAP, it should be pointed out that the CAP budget has declined in real terms over a number of years, with the latest deal reducing the budget further, both in absolute terms and as a percentage of the overall EU budget.

Furthermore, the allocation of funds to the UK to both pillar 1 (direct payments) and pillar 2 (rural development) have, in practical terms, been reduced compared to allocations to other Member States. Part of this can be attributed to the UK's budget rebate, as well as the negotiations surrounding the rural development pillar, which allowed some Member States additional funds. In this sense, questions may need to be asked of the UK's negotiating stance and tactics, rather than on whether the reform decisions are in the UK's national interest.

### **i) Benefits the UK national interest:**

The EU's approach to agriculture benefits the UK and its farmers in that it helps support their trade. The EU has been clear that principles underlining trade between Member States remains at the core of its decision making.

Since the early 2000s, the EU approach to the CAP has been much improved; it has become more market focussed, and less concerned with „subsidisation“ or providing support payments based on production. This represented a vital paradigm shift in the CAP, where production is now predominantly area based support, and not activity based support. The UK Government has rightly followed a policy of decoupling under Pillar 1, and it is pleasing that the EU seeks to follow this blueprint for support

payments in the future. This change also means that other Member States will be brought into closer alignment with UK policy, and not vice versa.

In principle, EU action on agriculture has been advantageous to the UK in the following ways:

- the single/ basic payment scheme that has supported farmers to move increasingly to a more sustainable system of production and one that is principally market driven following the decoupling of payments in 2005
- provision of a safety net for agriculture
- support for the rural economy, rural employment and investment in innovation
- support for agri-environment schemes that maintain and enhance natural capital
- common rules e.g. on food safety and animal welfare. This has provided transparency for the whole food chain and the certainty that businesses need to support capital and other commercial investment
- greater influence in international trade negotiations as part of the EU bloc. However, agriculture has, at times, been subject to unhelpful „horse trading“ in „last minute“ deals made by the World Trade Organisation, which have had a disproportionate impact on EU agriculture compared to agriculture in other developed regions/ countries, e.g. Brazil and Argentina. This has been most apparent in the levels of access to the EU agricultural/ food market for third countries that have not been reciprocal
- being in the EU has meant more funding/ resources have been provided for agriculture and farming than would otherwise have been provided by the UK Government acting alone. Norway provides an interesting comparison whereby the government has to subsidise its agriculture highly (c.80%) to compete with the EU.

## **ii) Disadvantages the UK national interest**

There have been many problems with the EU's approach to agriculture that have had a negative impact on the UK. Under the CAP, there still exists a huge variation in the way in which EU Member States view the CAP, and what it is there to do. Some see it as a primary method of supporting smaller farms and increasing food production, whilst others see it as a predominantly social payment that sustains farmers in businesses that would otherwise not be profitable in a market environment. The UK Government, along with a handful of other Member States, has seen the CAP predominantly as a tool for delivering public goods and services, favouring the delivery of funds via Pillar 2 and not Pillar 1.

Since the decoupling reforms, the EU is now a 28 Member State entity, with formal decision making powers extended to the European Parliament. Whilst this has increased the sphere of influence of the EU, and addressed to some extent its



perceived „democratic deficit“, it has made decision making painfully slow. This was shown in the most recent CAP reform negotiations, where the time taken to negotiate the new rules has lasted around the same time as the lifetime of the new scheme itself. Whilst this does mean greater legitimacy and input from political stakeholders and EU institutions, it has rendered much of the agricultural sector in a state of paralysis, whilst business decisions have had to wait on key policies to be agreed in Brussels.

The fallout from such diversity in opinion of the CAP, and the increase in the number of decision makers, has been that the whole CAP has shown to be decidedly uncommon. The recent deal on CAP is pervaded by the ability of Member States to be very flexible on the way that rules are implemented. Whilst this flexibility should be welcomed to an extent, it has reached a level at which the variation in policy and approach between some EU Member States is stark. An example being that some Member States will be able to modulate funds from Pillar 2 to Pillar 1, whilst other Member States will do the opposite. This represents an unacceptable difference in policy that runs counter to the ethos of the CAP, and fundamentally distorts a level playing field between Member States, even regions, within the EU.

EU action on agriculture has not been advantageous to the UK in the following ways:

- overly prescriptive rules that stifle innovation; more flexibility is needed and rules should be kept to a minimum
- UK has oddities, for example, common land and the dual use system that adds a layer of complexity to the CAP
- unfairness over allocation of CAP funds between Member States compared to contributions made by Member States, such as the UK, and unfairness over coupled support
- too much gold plating of EU legislation in the UK. There appears to be a risk averse culture in Defra in implementing the CAP, so the process becomes over burdensome, as more and more detail is sought from the Commission on specifics that tend to add more red tape. This is in contrast to the approach taken to implementation of the CAP in other Member States, such as Italy, where if something is not explicitly prohibited in regulations, it is seen as permissible. Despite the approach taken by the UK, it still had to pay £600m in EU penalties (known as disallowance) between 2005-2012
- too many complex EU regulations and the sheer volume of legislation needs to change. There is a knock on effect to Paying Agencies, such as the RPA, of the cost of implementing EU rules that is not always readily recognised by the EU institutions.
- the policy process for agreeing a new CAP takes too long and cannot always react quickly enough to market changes/ innovation; this means the policy is

playing catch up at the next review period, i.e. it is following rather than leading the market

- the co-decision procedure has not yet proven itself as adding value. For example, some 7500 amendments were tabled to the most recent CAP reform legislative proposals. This can result in the original intention of an agreement being changed through the co-decision procedure. Equally, such a large number of amendments is unworkable and slows the whole process down.
- a “one size fits all” agricultural policy is not always appropriate, e.g. the recent crop diversification measure principally aimed at tackling mono-cropping in France and Germany; this now has to be implemented in all 28 member states regardless of their predominant cropping system and, in the UK at least, will not deliver the intended environmental benefit.

Looking ahead, agricultural policy, be it the CAP or a national policy, should be made outcomes based. This means there should be an agreed framework/ set of principles with Member States being left to decide how the outcomes will be delivered – this is how businesses innovate.

**Q3. Do you think the UK’s ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

As per question 2, the lack of consensus across EU Member States as to what the CAP is there to achieve, has meant that EU action on support systems for farmers in the UK has been compromised significantly. The UK has traditionally taken a contrary view of the CAP to other EU Member States (particularly the post 2004 accession states) and has been constrained in its ambitions to become more market focussed.

The problem with this approach, as seen in the most recent round of CAP reform, is that the Commission feels compelled to try and harmonise these views under one single policy and regulatory framework.

Some Member States favour the maximisation of payments under Pillar 1 and direct payments for farmers, whilst the UK, for example, has always expressed a preference for payments made under Pillar 2. Trying to accommodate these points of fundamental policy differences has rendered the CAP as a policy difficult to implement. Coupled with the introduction of the co-decision procedure under the Lisbon Treaty, implementing and agreeing on new CAP packages has been very difficult, cumbersome and lengthy. This has only served to add indecision and hesitation amongst UK farming businesses, whilst the policy direction of the CAP remains unclear.

The CLA has always welcomed the UK’s approach to make the CAP more market orientated. However, the CLA notes that whilst Member States have contrary views, it is simply not sustainable or economically viable for some Member States to

implement the CAP in a radically different way to others. In order to maintain a semblance of economic competitiveness in the UK farming sector, all EU Member States must work around the same package, the same administrative rules and similar levels of payment.

If the UK agricultural sector was to find itself receiving very different amounts per hectare in direct payments (as a result of greater flexibility on implementation of the CAP), it would go against any concept of being a common policy, undermining competitiveness in the UK.

Any decisions made about the CAP must be taken as a whole – and, for this reason, it would be of significant benefit to the UK if our policymakers engaged closely with the EU on the direction of the CAP.

In the previous round of CAP reform, the UK actively distanced itself from the rest of Europe by following policies it was not able to subsequently implement. This led to significant impacts on the farming sector, particularly in England, where farmers had to deal with both the political and administrative fall out. If the UK is to realise a CAP that reflects its own policy objectives, it must work closer with the EU, and not against it.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK bio security resulting from the free trade in plant products?**

We are not in a position to provide a definitive response to this question. We believe, however, that HMG should be commissioning research to provide an answer.

The UK does of course have the ability to impose restrictions on the import of plants when necessary to prevent the spread of disease, as with the ban on the import of ash trees last autumn.

The CLA remains concerned that the UK does not allocate sufficient resources to monitoring diseases that are not currently endemic within the UK. This holds a very high risk of those non-endemic diseases being spread quickly within the UK, in the case of outbreak, and would result in very burdensome restrictions for landowners. The CLA would add that the strategy to monitor and inspect the import of livestock, carcasses or other organic matter is currently not fit for purpose, noting that countries, such as Canada, put significant resources in ensuring these checks are made.

We would suggest that in recent years, and particularly with reference to tree pests and diseases, the balance has shifted, with the risks increasing and the benefits not only decreasing, but also the accrued benefits of previous years being put under serious threat. It is important that when considering this question that due regard and value is given to the risk to natural capital and the ecosystems services this underpins.

**Q5. What evidence is there that current competence over forestry policy:**

The EU does not have competency for forestry; in the UK forestry is devolved to the national administrations. The devolution of forestry policy has certainly made managing UK forestry policy more difficult, most recently in respect of dealing with tree pests and diseases. The devolution of forestry policy is not reversible.

The main issue for the forestry sector with regards to the EU not having competency for forestry, is that the sector is still subject to policies and regulations derived from areas where the EU does have competency, most notably on environmental issues. However, the framework for the forestry sector to engage in the decision making process is very weak. As a consequence, the sector ends up being reactive rather than proactive and has suffered from some damaging EU regulation, such as the Habitat Regulations especially relating to European protected species.

### **i) Benefits the UK national interest**

If the EU had competency for forestry it is possible that there would be more pressure for a greater proportion of the CAP budget to be spent on forestry. As the UK has a relatively small percentage of land under forestry, this would disadvantage UK farming interests, as the UK would then get a smaller percentage of the EU CAP budget.

### **ii) Disadvantages the UK national interest**

This depends upon whether or not you believe that EU forestry policy would be better for the UK forestry sector than UK forestry policy. As UK forestry policy is devolved, the answer will be different for each country. EU forestry policy is generally more commercially orientated, as forestry is a much more important land-use in most of the EU compared to the UK. This is most striking when comparing English forestry policy with EU forestry policy. It may be that taking a more commercial approach to land-use policy would enable the UK to make better use of its limited land resource.

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

There is little doubt that the enlargement of the EU has further complicated the decision making process, particularly taking into account the increased powers in the legislative process of the European Parliament. However, the consultation itself, at paragraph 30, states that "Much of the UK's agriculture policy is now agreed at EU level, with comparatively few areas remaining exclusively within the competence of Member States; although there is some (and arguably increasing) flexibility on how the Common Agricultural Policy is implemented." This means that in a decision making sense, there are three distinct areas: the formulation of policy (Council and Parliament); the management of policy (Council, Parliament – to a degree - and the Member States); and the implementation of policy (Member State).

It is the latter two areas – management and implementation – where Member States have competence and where the European Commission has to abide by the will of

the Member State. Indeed, the implementation of agricultural policy is fundamental to the proper execution of clearly defined objectives. The CLA would therefore suggest that, rather than the UK government focusing on the formulation of policy in terms of competence (where changes to the decision making process would only be possible through changes to the Treaties of the EU), the UK needs to give far greater consideration to management and implementation. Through the management committee structure, UK representatives need to ensure that they have a thorough knowledge of how the process works in order to ensure that the implementation of policy measures remain consistent.

In our view, previous experience of the implementation of CAP measures in the UK has suggested a tendency to gold plate EU regulations; that is, adding on further regulation that is simply not required. Comparing the UK with other Member States, it becomes clear that the UK tends to be far too prescriptive, and indeed tends to extend the scope of EU regulations „sub silento“, for example with the Water Framework Directive and nitrates legislation.

The current situation where competency for plant health is shared between the EU and Member States is probably the best solution. Going forward, the important thing is that EU regulation is strong enough to prevent pest and disease incursion from outside the EU, but flexible enough to allow Member States to take action to prevent the spread of pest and disease between Member States within the EU. Protected Zone Status is one existing measure that could be better utilised to achieve this. Whilst the use of bio-geographical zones is sometimes suggested as a way of compartmentalising different policy areas for administrative purposes, policy decisions should not be devolved below Member State level.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

**ii) disadvantages the UK national interest?**

As stated above and within the consultation, the UK is constrained by the legalities of the EU decision making process, as it applies to the CAP. The decisions made regarding changes to the CAP are based on the principle of co-operation between the institutions, as well as through qualified majority voting in the Council of Ministers. If the institutional dimension was to change, this would require a constitutional change to the foundations of the EU through amendments of the Treaties. That is a political decision.

Indeed, it can be said that the UK, as one of the 28 Member States, has as much influence as the other Member States – no more and no less. Understanding that the EU policy process necessarily works through compromise and consensus (this being clearly illustrated through the trilogue mechanism), invariably means that the UK needs to give greater consideration as to the politics of negotiation within the Council

of Ministers; in addition to influencing MEPs in the European Parliament through UKREP. In essence, the UK needs to understand how to negotiate better, as well as understanding the culture of European politics. Past experience indicates that the UK does not negotiate hard enough on agriculture and finance compared to other Member States, such as France.

Member States and the EU institutions all have different perspectives on what the CAP should achieve and the meaning of the TFEU objectives. Objectives are necessary to be able to measure policy success, e.g. public benefits. Greater articulation of the objectives for the future would help to achieve and measure policy success of the CAP and achieve value for money. This may help to address unfavourable public perception of the CAP. Over time the economic benefits of CAP have been undermined by political decisions.

Furthermore, the focus of the CAP's objectives is influenced by political changes in EU institutions (e.g. the future of the CAP would, in part, depend on who was the next EU Commissioner for Agriculture).

On balance, the European Parliament's role in policy-making is thought to be beneficial; but the co-decision procedure has not yet proven itself as adding value. The policy process takes too long, and does not react to market changes sufficiently quickly. As mentioned earlier, challenges arise from the 28 Member States' different interpretations of the CAP.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The CLA recognises that the EU's role as a major economic and trade block cannot be underestimated. Not only does this role allow for the optimum agreement terms, it also allows any third state to remain assured that the EU's common standards to agricultural produce significantly reduce the risk of any spread of disease, or health concerns. For those products that are parsimonious throughout the EU, a common trade policy is clearly beneficial.

However, for products that are specific to the UK (geographically protected products or products unique to the UK) there are difficulties associated. It would clearly be advantageous and appropriate for that Member State who has a monopoly in a certain product to be able to establish separate agreements with non-EU countries; they take on the risk, and that Member State is fundamentally better positioned to negotiate on their own behalf. However, it can be difficult to find products that are genuinely produced by one single Member State, and generally those sectors profit from free trade within the EU.

Without the CAP, UK farmers would be affected by higher subsidies elsewhere in the world. For example, the US claims to have a "free, unsubsidised" agricultural sector, but the US government often intervenes, and has previously bought up huge

amounts of excess poultry. Moreover there is still a massive dependence on various price stabilisation schemes and publicly assisted income assurance. While the rest of the world chooses to support its agricultural sector, the EU also has to act.

#### **Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

The multidimensional nature of CAP cannot truly deliver a level playing field. Other factors matter more and vary enormously such as crop yields and input prices. That said, the current arrangements are striking the right balance in some areas, such as food safety and animal health and welfare. These rules help to maintain standards rather than act as a trade barrier, as claimed by some third countries. While the rules in these areas represent a level playing field across the 28 Member States, that does not mean the breadth and depth of regulation is at the appropriate level; rather that the legislation that applies, applies to all Member States.

Even within the UK, the playing field is not level, as there are different payment schemes and payment levels across the devolved administrations, e.g. Scotland has a lower average payment than England, but also has continued using coupled payments, and Wales has hitherto continued to make historical payments. There is therefore the question about the fairness of CAP allocations.

Circumstances differ greatly across the EU. For instance, demonstrating equivalence when you have crop diversification is difficult to implement yet maintain flexibility across all 28 Member States. The crop diversity requirements risk making agriculture less competitive in the UK. These requirements are aimed at addressing the continual growing of one crop, such as happens with some maize growers in France and Germany, and does not apply in the UK or meet UK environmental objectives. The policy will most likely lead to negative consequences in England and Wales. There will also be added challenges for small scale farmers in Eastern Europe who face difficulties due to a lack of infrastructure to maintain three different crops efficiently.

The approval and subsequent commercialisation of GMOs has proved a real challenge for the EU. Despite the Commission and EFSA approving new GMOs, the Council and European Parliament have taken a more cautious approach and approved GMOs in only a limited number of cases. Where this approval to cultivate GMOs has been forthcoming, and hence applies in all Member States, some of these have sought to ban the „approved“ GMOs. One could argue that Member States have been able to hide behind the „precautionary principle“. If these rules are to apply, they should be policed and enforced swiftly. Some Member States have also taken the approach of appealing positive GMO approvals; this has the effect of both stalling the EU's ability to help address food security and disincentives

commercial investment in innovative new products. Multinational businesses need harmonised rules across all Member States rather than the different application of „common“ rules across the EU. That said, there may be a case for allowing decisions on banning or admitting GM cultivation to be administered at Member State level rather than at EU level, as a mechanism to unlock investment in the commercial development and cultivation of GMOs.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The market price of food reflects commercial supply and demand factors. However, it is the intention of the retail sector to ensure that the cost of food products to the consumer is kept as low as possible. This necessarily will have an impact on the ability of producers to match the demands from supermarkets. Producers wish to see higher food prices in order to maintain viable margins. For farmers, where input prices have often risen at a rate above inflation, static pricing or even reduced returns, makes it harder for farmers to compete.

As the EU opens up access to its market to third countries, there is a risk of importing pests and diseases, where equivalent food safety and animal welfare standards and traceability systems do not operate. This risk needs to be balanced against the supply of competitively priced raw materials and food products to EU processors, producers and consumers. EU animal welfare standards have been used by third countries, seeking improved access to the EU market, as a barrier to trade, on the basis of the cost of meeting these standards.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

We are not aware of any evidence to suggest that food prices have been distorted by EU biofuels policy. EU biofuels policy does provide an additional market for agricultural outputs and has also a potential role in reducing the EU's dependence on imported animal feed protein; this brings associated price stability benefits for both food producers and consumers, as well as environmental benefits. Long term investment in biofuels is affected by policy uncertainty and hampers the ability of the EU to deliver on renewable energy targets.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

The Government's recent announcement that it intends to fix inter-pillar transfer at 12% suggests recognition of the value the Rural Development Programme for



England (RDPE) can play in providing greater opportunities for rural areas. Indeed, it is the Government's responsibility to put in place a coherent RDPE that both conforms to the rural development regulations agreed by the Member States as well as setting out the objectives it wishes to pursue.

The negotiations regarding the Multi-annual Financial Framework underline the point that the UK suffered, in budgetary terms, a significant reduction in its allocation for Pillar 2 funds. This was due to a number of factors, including the inability of the UK to engage and secure a more satisfactory settlement during the negotiations and the ongoing effect of the UK's budgetary rebate.

The EU needs to remove payment distortions and deliver internal and external convergence on payments rates. These should be on a flat rate basis only.

### **Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

#### Ecosystem services

Businesses and civil society rely on natural capital provided by agriculture. If the CAP were abolished new common rules would be needed about how to manage the natural environment. It would be preferable to retain the CAP and work towards modernising it and managing the trade-offs.

Applying an ecosystem approach to sustainable land management will benefit UK/ EU society. Ecosystem services are a broader range of environmental services that land managers provide, or could provide, to society than simply the saleable products of farming, forestry and rural recreation. These services are characterised as: provisioning (food, timber, fibre, water); regulating (carbon sequestration, water purification, air, soil erosion, disease outbreaks); supporting (soil formation, nutrient cycling); and cultural services (recreation and tourism, landscape, wildlife). Together all these services of the natural environment are vital for human well-being.

Most UK/ EU ecosystem services are, and can only be, provided by farmers and foresters. Historically, the costs of managing the ecosystem services falls on farmers and foresters, yet the main benefits farmers and foresters can realise is from the marketed services such as food and timber. It is therefore hardly surprising that the non-marketed, or public good and services, are under-provided. Society wants them, but has few ways of paying for them. This is a classic example of market failure and is pervasive in rural land management. In an age of austerity, we need to be looking at new ways to pay for ecosystem services. Without sufficient public funds, it is unlikely that society's aspirations will be met in the long term.

#### Food security

Food security will be a challenge for the future that needs to be managed now. All the major policy affecting food security in this country is decided at EU level, the Common Agricultural Policy (CAP), the EU Common External Tariff (i.e. trade policy) and many other EU directives, governing almost all environmental policy. This

means Defra must provide leadership in Europe to shape emerging EU policy on food security.

CLA pressed for the implementation of the latest reform of the CAP 2014-2020 to ensure that European agriculture is in a position to produce as much food as it can, sustainably, and in response to market signals. The CAP also has a role in providing incentives and mechanisms to encourage farming that uses less water and fossil fuels, produces less greenhouse gas emissions, does not degrade soils and manages nitrogen use better.

Food is a global, not EU or national, market. Demand for food is rising rapidly. By 2050, the world will need to feed 9 billion people on about the same land area as we use today, using limited fertiliser, water and pesticides and in the context of a rapidly-changing climate. Annual supply and demand is driven by global production. The CLA believes the prime factors that influence global markets and food prices are:

- poor harvests, especially in the US and Australia. This would reduce global supply and increase prices, even if the UK had a good harvest that year.
- the use of food crops for biofuels, especially maize in the US, where around one-third of the crop is used for biofuels
- rising input prices, such as for energy, fertilisers and fuel
- changes in the amount and type of demand (e.g., demand from China for more meat based foods)
- export bans
- market speculation.

Trading relationships themselves are a source of risk. In 2006, 26 countries, including the UK, accounted for 90% of the UK's food supplies, up from 22 countries in 1996. In 2009, 34 countries each supplied the UK with at least 0.5% of its food imports. The Netherlands accounted for the highest share with 13%. According to Defra, the vast majority of our food (69% in value) comes from trading partners in the EU. But, there is no guarantee that even our EU trading relationships will always remain stable. In the event of severe shortages of basic food stuffs, it is questionable whether intra-EU trade would continue to operate smoothly. While this may seem unlikely, there might be a need to consider contingency plans for dealing with the breakdown of the single market. If EU countries did attempt to take protectionist action in a time of severe food shortages, the Commission would seek to ensure that the rules of the single market were upheld. But it may not be able to apply sanctions with sufficient speed.

GM techniques, used as part of a wider approach to food security, can make a significant positive impact to food production in the UK. This is not just in how we can produce more from existing resources; it also concerns how we can protect biodiversity, improve natural resource provision, and make contributions to animal welfare. It is therefore vital that food security, however it is defined, takes into

account the indirect challenges that come with needing to produce more. In our view, the livestock and woodland sectors have arguably more to gain from such GM technologies, and subsequently more to contribute in food security policy.

The net global economic benefits at farm level added by cultivating GM crops, rather than conventional varieties of crops, have been estimated at \$14 billion in 2010, and by 2011, almost 17 million farmers around the world planted GM crops, up from 15 million in 2010<sup>25</sup>. It is estimated that without GM, additional plantings of 5.1 million hectares of soybeans, 5.6 million hectares of corn, and three million hectares of cotton and 350,000 hectares of rape seed would have been globally required in 2010 to maintain existing output.

The growth of yields worldwide has stagnated for many major conventional food crops, as research published in Dec 2012 in the journal Nature Communications showed. If yield growth does not get back on track, the UK is going to have trouble keeping up with population growth and resulting food demand, and prices will rise, as well as more land being converted from nature to agriculture. Development of higher yielding and improved drought and pest resistant non-GM plant varieties would help, as well as selection of positive genetic traits in the livestock sector.

### Climate change

Climate change is another challenge facing farmers and landowners. Climate change is likely to mean a reduction in agricultural land, through processes such as sea level rise and changes in rainfall patterns. The UK/ EU need to understand better how efficient different food types are in terms of their land use. We know that in the UK, as in most of northern Europe, organic crop yields can be 40%–50% lower than conventional farming, and labour use can be 10%–25% higher.

Producing sufficient food is only part of the challenge the world faces, the implications of the way in which it is produced are equally important. The only acceptable form of food production is that which meets the needs of the present without compromising the ability of future generations to meet their needs. Sustainable production is not the preserve of any one method of farming; a range of tools are needed including GMOs.

### External Trade Agreements

The Transatlantic Trade and Investment Partnership agreement, currently being negotiated between the US and the EU, could make a significant difference to the future of the CAP.

### **Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

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<sup>25</sup> Future Farming: CLA Policy on Biotechnology 2013

While the CAP has enabled some investment in innovation in the UK and in the EU, the policy objectives for the CAP have failed to include anything specifically on innovation. Thus this has not been a driver for the policy. Furthermore the CAP is insufficiently responsive to technological and market changes, because it fossilises certain kinds of structures and approaches.

The need for common rules across Member States is holding back innovation in UK farming systems. For instance, the UK has strong capability in bio-technology, but UK research expertise is not being efficiently used in the EU.

More investment in EU research and development is needed to address food security issues.

A major future challenge was to make agriculture more environmentally sustainable, and the CAP is thought to have achieved a lot in this areas, e.g. without the CAP, farmers would have limited incentive to farm in an environmentally-friendly way.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

We consider the TFEU objectives for agricultural policy to be, in part, out-dated. Market conditions and operations are dramatically different now to when the CAP was established some 50 years ago.

The availability of supply (objective D) and stability of markets (objective C) cannot be achieved without taking a global view of policies; many decisions are now made at international level. The absence of objectives for environmental protection and enhancement needs to be corrected. The objectives should recognise that the relationship between agriculture and the environment is two-way and fundamental.

There is no longer a need for the CAP to incentivise productivity, as the market provides a driving force for productivity. But a common agricultural policy is necessary for trade and competition to maintain a level playing field. The CAP has contributed to the supply of food at reasonable prices. While EU influence in trade rules has also made some contribution towards achievement of this objective, it is primarily a commercial issue driven by the market. In this sense, the relationship is essentially that between the producer and the retailer, but should not exempt the impact of other parties in the food supply chain, such as processors or packagers. There is also no definition of what constitutes reasonable prices.

Key to achieving value for money is that the EU and the UK deliver public goods, also referred to as ecosystem services, which the market cannot be relied upon to provide – environmental protection/ improvement and research and development are seen as especially important. There are public misperceptions about the value of EU funds spent on agriculture in the UK and what it delivers.

The future of the CAP depends, in part, on the UK's ability to achieve its desired outcomes in negotiation with other Member States, which place high value on

different objectives to the UK. Negotiating the CAP's priorities given the trade-offs involved will be a significant challenge.

A barrier to effectiveness is that successive CAP reforms have tried to address past problems, but every new reform adds new challenges. The CLA believes that the five year reform cycle is inefficient and costly. There is a clear need to re-define the desired outcomes of the CAP and how best to achieve them. The CAP needs to be fit for a more globalised world. The CLA believes the key policy objectives for the CAP should include food security, sustainable food production, adaptation to climate change, ecosystem services and a crisis reserve for agriculture.

## Clarke, Janice

### **Q1. Should the EU have competence for agriculture and plant health?**

As an amateur gardener I feel that the EU should not make decisions about seeds intended for gardeners. The gardens and allotments belonging to individual citizens are in a completely different sector to that of big business Agriculture. As such they do not require strict EU level regulation and I hope that amateur gardening will be exempted from the new Seed Law.

**Q2. - Q15.** Not Answered

## Clarke, Lea

### **Q1. Should the EU have competence for agriculture and plant health?**

As a home gardener and allotment holder I believe garden plants and garden seeds should NOT be covered by EU regulation, but instead controlled by UK laws.

**Q2. – Q5.** Not Answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I think the UK national interest would be better served by laws actioned directly in this country. To serve and protect regional/local varieties along with the needs for home gardeners being kept separate from the needs of agriculture.

**Q7. – Q14.** Not Answered

### **Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

As an allotment holder and home gardener what I would look for from a plant is completely different to that of a large scale farmer. Allotment holders and home

gardeners should be able to choose any vegetable variety they want to grow, in a free market, and not be restricted to what could and I believe WOULD become very minimal list of 'approved' varieties.

## Clarke, Sheila

### Q1. Should the EU have competence for agriculture and plant health?

I do not believe that the EU should have competence for Plant Reproductive Material intended for gardeners and small growers.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

Q2. - Q15. Not Answered

## Clinton Devon Estates

### COMMENTS BY CLINTON DEVON ESTATES

1. A more integrated approach to delivery (compatible with sustainable development) is needed for Pillar 2. The separation in the current RDPE between environmental schemes in Axis 2 and socio-economic schemes in Axes 1 and 3 has resulted in missed opportunities. E.g. where Axes 1 and 3 schemes supported by Leader failed to secure environmental enhancements because Axis 2 funds were not available to them. Now that the Axes of Pillar 2 funding are replaced by six overlapping priorities, there is an opportunity to secure multiple benefits.
2. It will now be important to deal with Pillars 1 and 2 together as there is much more overlap between them - much of the land currently in buffer strips etc will have to come out of Pillar 2 schemes to count towards EFAs, which will be Pillar 1 funded. There is a risk that Pillar 2 funding, rather than being integrated with Pillar 1, will be further split between NE, NGOs and also the LEPs - the last of these generally unprepared / not resourced to deliver it effectively. It is important that overall responsibility for delivery of both greening and the full range of Pillar 2 schemes is given to a consortium of agencies, led by NE (including both EA and FC objectives if the full range of priorities are to be delivered). Leader should be given a significant role, and not just for socio-economic schemes as at present.
3. Of course there will be a role for NGOs and others, for instance in facilitating a landscape-scale approach, but the funds should not be separated out.

4. The EU Commission remains clear that greening is compulsory, but the penalties, as set out in the Defra status report, are so small that a number of farmers, already considering withdrawing from ELS when the opportunity arises may also hang back from greening. Indeed greening itself is unlikely to deliver the UK Government's ambitions as set out in the Environment White Paper, including the principles identified in the Lawton Review – i.e. Making Space for Nature – landscape scale and wildlife corridor incentives.
5. The latest CAP reform maybe not what Defra sought, but now that we have it, it is important to make the best of it, to portray EFAs in particular in a more positive light. Reinforcing and coordinating available funding streams in order to deliver the business best practice and strategic environmental outcomes sought by both the industry and society.

### **Does the CAP deliver the objectives set in the Treaty?**

The question should be **are the objectives of the Treaty appropriate to EU agriculture in the 21<sup>st</sup> Century?** We do not believe the Treaty objectives are fit for purpose.

The objective of increasing agricultural productivity by promoting technical progress is laudable but why is this a particular EU competence? All industries need to invest in improving productivity and agriculture is no different. The UK Government should consider how it wishes to invest in research and development along with the industry itself. The original objective mentions **“optimum utilisation of the factors of production, in particular labour”** – this indicates that there is a particular focus on employment – if this is a post war social objective rather than a competitiveness / productivity objective we would question its relevance. Interestingly, after many billions of Euros being paid to the farming industry, it is questionable that this has been a good use of tax payer's money in respect of delivering this objective in any event. We are not aware of any meaningful analysis which indicates that agricultural productivity has been increased in line with the money spent.

We understood that the original price support measures (now wrapped up in SPS) were largely a temporary measure, whilst structural funds would aid massive capital investment and improvements in productivity. As it happens this has largely been a fantasy and many farmers have become habituated to support payments and large swathes of agriculture is entirely dependent on CAP payments (P1 and 2). In part this is due to society becoming richer and seeing food as something we spend a declining proportion of our income on. It is consequently difficult to meet the second aim of the Treaty of Rome (fair standard of living for farmers) as the gap between **some** farm incomes (especially those in LFAs) and the income of the rest of economically active society grows. The objective **“increasing the individual earnings of persons engaged in agriculture”** should not be an EU wide competence. Rural areas in England are

generally far more wealthy (accepting that some rural areas do have acute pockets of deprivation) than many of their EU country counterparts. Earnings in parts of the old Eastern bloc are considerably different to those in the rural south west of England and also southern Spain etc. It is not possible to have a common policy in this respect and indeed which other industry in the UK has a government priority to increase the wealth of those working in it?

Stabilising markets has been successful in the past and resulted in stock piling of primary products and some might say perverse outcomes. Today we are in a global market and trying to “**stabilise**” agricultural markets which are subject to global supply side economics, weather patterns and political trade factors has not proven very successful. Indeed, agricultural commodity markets have been highly volatile and will continue to be so. CAP policies should not try to interfere with market forces or “**availability of supplies**”. The final objective of CAP, “**ensure that supplies reach consumers at reasonable prices**” may have been a success but how relevant is that today when food represents such a low percentage of the overall call on UK consumers’ disposable income?

### **If agriculture is part of the Single Market, should the UK be part of a CAP?**

Whilst we remain in EU, UK agriculture has to remain as part of the single market and CAP. The alternative, should the UK (or possibly 'lesser Britain' post Scottish independence) vote to leave the EU, maybe is to join Norway in an EFTA-type arrangement. But this would mean complying with single market directives and regulations without any influence over their development. If we were "out" then there is no way successive governments would continue to provide anything like the current level of funding to farmers. Result – fewer and larger farming operations focussing on economies of scale. Separate funding would need to be provided to ensure delivery of non-market (public) goods – this could be driven by EU wide high level objectives but funded by UK tax payers and / or facilitated by private sector models (e.g. eco-system services). However, one of the reasons some farmers do not have a high standard of living compared to the rest of society is that there are too many farmers chasing the limited amount of money we are prepared to spend on food (leaving aside arguments re payments for eco-system services etc).

### **How could the value for money of CAP be improved?**

See points under 1 to 5 in general overview. Integrate policies and funding across and within P1 and P2. Co-ordinate delivery. P1 is important though – given vagaries of weather, disease, length of production cycle (e.g. beef) there is a need for a safety net to ensure some stability in the sector whilst ensuring that poor performance is not rewarded. Should try to identify a transition of more funds moving from P1 to P2 and yet ensure P2 schemes focus on true public goods: Environmental management, soaking up water, carbon, providing education etc. Farmers could bid for this funding. Those that were focussed on large scale production and economies of scale may not bother to seek these



funds, however, they would have cross compliance requirements to ensure good agricultural and environmental practise. We should look widely at how perverse outcomes can be avoided. We need quality, healthy food at a price people wish to pay rather than simply reacting to increases in basic food prices resulting in a shift to unhealthy consumer behaviours. This may imply supporting and regulating farmers to the extent that they improve productivity yet animal health and the environment don't suffer. Policies which result in the relative price of food increasing need some thought beyond than only the impact on the farm.

## **Coleman, Kevin**

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes. This prevents member states from following unsustainable policies that conflict with the greater good of the EU. It also prevents one or more member states from embarking on an agricultural policy that may cause long term harm to the greater EU membership. For example, genetically modified crops and/or livestock which could undermine the bio-security of member states through interstate trading. Cloned livestock would inevitably contaminate non cloned bloodlines of livestock. This is particularly important to rare breeds groups. The current bio-security protocols do nothing to prevent cross contamination or cross breeding with conventional agricultural products and does not protect those within the EU from such independently pursued agendas where profit is being put before sustainability.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

By ensuring consistency of productivity and standards among all nations therefore not allowing one nation to overly benefit at the expense of other member nations. Profits should not be based on individual member states national agendas to the disadvantage of the EU as an entire zone.

#### **ii) disadvantages the UK national interest?**

In some EU states there is an unfair advantage where the major trade of a given nation is disproportionately influenced by other member nations who do not have a similar or the same particular trade. Therefore the budgetary allocations could be influenced against the needs of one nation on the basis of another nations influence as a 'member state' despite that member state not being engaged in the same form of business. There does need to be some refinement of unfair influence which does not allow wholesale freedom of nations to decide their own budgetary allowances without it being reviewed by other member states who conduct similar business practices. Where nations have no equivalent trade they should be restricted from unfairly influencing budgets to the detriment of the relevant member states.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The agenda of the UK government is guided by economic growth ideologies. This is not conducive to long term planetary sustainability. Neither is the current agenda of the UK government with regard to the TTIP EU/US trade deal proposal. If the UK government were to be set free from EU governance on agricultural policies then I fear the UK government would jump into bed with the US and we would see an almost instant decline in our food standards, the introduction of more dangerous technologies and the weakening of trade barriers designed to protect the people and the environment. Unfortunately this is not to the benefit of trade but to the benefit of corporate profit. Therefore although the UK government does pursue competitive food and farming it has to be done with due consideration for the people that the UK government are employed to represent and defend. By remaining under the EU overall farming and food policy the UK government is restricted from reckless decision making that could become a serious threat to health and environment both here and throughout the EU.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

There needs to be a substantial improvement in bio-security measures and controls on imported plant products. Free trade does not necessarily mean a free for all approach. There can be free trade but it must be conducted with due respect for individual nations own biodiversity and ecosystem functions.

The principle that it is acceptable to trade in plant products because there is no risk is reckless as there are so many different pathogens emerging due to situations such as new member states on the fringes of the EU zone not adhering to tighter border controls and thus allowing sub standard and unsafe products across into the EU. Once here they are readily transported wherever they are required without due regard to their bio-security threat status.

The current process for application as a protected zone status should apply across the EU, especially to the UK as an island state with no direct link to the EU mainland. A precautionary position should be applied throughout the EU as a matter of course especially as climatic changes are exacerbating pathogenic issues across the globe.

**Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

As a member of the Woodland Trust I value the wooded landscape as much for its natural habitat but also as a refuge from the industrialised landscape which does affect the health and spiritual welfare of the population. As an ordinary citizen I also believe that we have a duty of care to maintain a strong wooded landscape as a means of dealing with climatic changes. Carbon based pollution needs to be controlled. As far as UK competency for forests is concerned I do believe that we

need to maintain the highest standards of woodland habitat creation and protection possible and if an EU competency was to be negotiated it should be to the highest standards possible, either our own or whichever states standards are the highest in terms of protection, regeneration, management (not overzealous paper based intrusive management based on profitability at the expense of the natural landscape or the people) and accessibility.

**ii) disadvantages the UK national interest?**

As fast as we are trying to protect and regenerate forests other areas of the EU are exploiting their forests to the overall detriment of the EU as a whole. We need a common climate change mitigation policy which recognises a need for carbon sequestration through green regenerative projects...forestry. We also need to protect the old growth forests as the repository of genetic diversity especially in the face of the spread of tree pathogens which devastate forests. We also need a stronger bio-security policy to stop all trade between member states of forestry materials and plants without a full certificate of phytosanitary health.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

UK border controls need to be strengthened along with national legislation to govern the movement of plants and agricultural products between member states. This is in light of increasing problems with pathogens and other contamination risks. As for the EU level of control these national actions should be upheld by the EU as a whole and should not be subject to any over rule by individual member states on the basis of lost trade or revenue.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

Unfortunately the Council of Ministers is, to my mind, an unelected bunch of self serving fools whose main agenda seems to be to interfere in and to fly in the face of common sense and the best interests of the EU and its individual member states. Until these people are elected by the member states people and are held fully accountable for their dire decision making record they will continue to be a bunch of unelected fools.

**ii) disadvantages the UK national interest? As above.**

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

As of this moment in time there is a trade deal being negotiated behind closed doors and with utmost secrecy that will impact adversely on the entire population of the EU and the World as a whole. I refer to the TTIP US/EU trade deal. It is counter-productive to the UK and the EU populations regardless as to which level of governance holds sway. Standards of trade and environmental protection are being threatened by the corporations whose only interest is in profit. These barriers to trade which they seek to dismantle are our protection, both at the EU and UK levels of government. To water down the standards for the empty promises of job creation and profitability is treasonous to say the least. The UK and EU governments are elected to represent the people. Not to sell us down the river. If we trade with outside nations they need to remember who we are and why we are here and what we expect them to do to raise their game and meet our higher exacting standards of human and environmental welfare and protection. No lowering of standards should ever be permitted regardless of the carrot being dangled. I refer the reviewers to the NAFTA deals which have inflicted abject poverty on nations such as Mexico for the sake of corporate profits. 20 years after it was implemented the people it was meant to benefit have endured even greater poverty.

This trade deal is not acceptable at any level in its current form and it should be open to full public consultation, as should all trade deals with non-EU nations. The same applies to China and Far East Asian countries.

#### **Q9. Considering the single Common Market Organisation:**

##### **i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

This is always a difficult act to achieve. No two nations are identical. However it does go some way to levelling the playing field between nations by setting standards of behaviour, monetary policy, human rights and competencies of the nations individual governments prior to membership. Hence the issues currently being negotiated between Turkey and the EU.

Unfortunately there will always be some disputes which will never be settled. Bio-security is one such issue which member states cite as a barrier to free trade.

##### **ii) How could current arrangements be improved?**

My personal view is that the precautionary principle must be enforced to ensure that issues such as bio-security become the responsibility of the member state looking to sell plant and agricultural products to other member states and the responsibility equally so of the importing member state to ensure that the products imported do in fact meet with the standards set.

#### **Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Free trade between member states has broadened the populations view of the world in terms of diversity of food and culture. However there have been issues with imports from our newest member states (Eastern European States) which do not always meet these standards and the problem is exacerbated by the lack of a functional system of control, accountability and recompense for any trade, service or other deal(s) which have failed to meet the expectations of the importing member states populations. This situation would benefit from a system being put in place along with a means to police it.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

I personally disagree with bio-fuels on the basis that they take food away from people in need of it. Food in the form of grain which is used to produce something which we later burn under the allusion that it is somehow beneficial because it came from a 'Green' source is nothing short of scandalous green-washing and profiteering. It would be far better to plant a few thousand forests across the EU/UK than to add to the already vast store of carbon compounds currently warming up the climate. It is a fraudulent waste of my taxes.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

If the purchasing bodies (supermarkets) of the finished products from our farms paid the real price of these goods then there would not be any need for a CAP payment of any sort to support agriculture. The supermarkets hold the food markets in an iron grip and squeeze vast profits from the system simply by reducing payments for food products to close to the basic cost of production and in the case of milk production, below what it costs.

Where there is a need to pay some funding is in the countryside communities who have become depleted of younger generations of farmers and agricultural workers due to the increasing prices of properties caused by the commuter set who think it's 'trendy' to have a weekend retreat in the country after their week in the capital or wherever they commute to work. This current situation is causing the average age of farm workers to increase to well over 60 years. This does not bode well for the future. Some form of payment to secure housing for the next generation of young farmers without impacting on the real nature of the countryside is essential to our future agricultural productivity. It will not be achieved by wholesale building on green belts or countryside. That way lies disaster.

How to restore the countryside is a matter for conservation organisations as well as the government and the relevant representatives of the agricultural sector. We all

need to voice our views as to what is needed. One size does not fit all and nations like France have a very different way of farming to the UK. Small holdings are common and so are local markets for local goods. This would be a benefit to many farming communities in the UK if encouraged more than they are now.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Climate change will be the biggest impact on agriculture.

Followed by mineral exploitation such as hydraulic fracturing which will take excessive amounts of water and produce vast quantities of toxic waste. The benefits of this gas extraction technique are far outweighed by the toxic cost and the stresses placed on the aquifers to supply water to the people and to agriculture. Better use of sustainable and renewable energy technologies could be implemented rapidly without recourse to irreparable damage to the ecosystems we depend upon to sustain and protect us.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

EU wide action on Climate Change. EU action on support for water conservation methods and EU wide action on energy policy. No nation should individually endanger its population for profit at any cost. This should be a fully understood principle adhered to by all member states.

People and the planet come way ahead of corporate profit. The UK government needs to be told this and needs to adhere to this.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

References to sources that may be useful are as follows:-

For countryside policies re homes and protecting the countryside

<http://www.cpre.org.uk/>

Biodiversity is of critical importance as is habitat protection and genetic diversity hence the following links

<http://www.wildlifetrusts.org/>

<http://www.woodlandtrust.org.uk/campaigning/>

<http://www.ancient-tree-hunt.org.uk/project/>

Seed security and genetic diversity

<http://www.gardenorganic.org.uk/index.php>

<http://www.seedysunday.org/>

<http://www.arc2020.eu/front/2013/05/draft-seed-regulation-threatens-agricultural-biodiversity/>

<http://viacampesina.org/en/index.php/main-issues-mainmenu-27/biodiversity-and-genetic-resources-mainmenu-37/1408-the-european-commission-organizes-the-pollution-of-our-fields-by-industrial-patented-seeds>

<http://www.iatp.org/video/the-promises-and-perils-of-proposed-us-eu-trade-deal-for-food-and-agriculture>

Agroecology Alliance for sustainable agriculture

<http://www.oxfordrealfarmingconference.org/>

Pollinator protection and Natural Beekeeping

<http://www.biobees.com/>

Permaculture for sustainable agriculture

<http://www.permaculture.org.uk/>

And further info on the NAFTA trade deal and its effects on Mexico after 20 years.

[http://therealnews.com/t2/index.php?option=com\\_content&task=view&id=31&Itemid=74&jumival=11282](http://therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=11282)

One on the Trade Deals

<http://www.tni.org/pressrelease/eu-us-trade-deal-will-lead-race-bottom-where-only-big-business-wins-warns-new-report>

A report on the TTIP negotiations. Very detailed and informative:

<http://www.consumersinternational.org/media/1402104/tacd-food-resolution-on-the-approach-to-food-and-nutrition-related-issues-in-the-ttip.pdf>"

## Compassion in World Farming

Compassion in World Farming (Compassion) believes it is necessary firstly to take issue with two statements in the explanatory section of the Call for Evidence.

In paragraph 19 there is an unquestioned acceptance of the Foresight Report's prediction that global food demand is likely to increase by 70% by 2050.

The question is – do we accept this as an unchangeable inevitability or do we seek solutions now?

The recent Interim Report from the World Resources Institute (WRI) *Creating A Sustainable Food Future* (WRI 2013) estimates that the world population will reach 9.6 billion by 2050, an increase of around 2.6 billion on today's figure.

Using their figures, if we halve food losses and waste, another 1 billion people could be fed. (The calculation, based on WRI data, indicates the figure is 1.35 billion, so the figure of 1 billion is a very cautious estimate).

Using WRI calculations, another 310 million people can be fed if the number of people who are expected to be obese and overweight by 2050 were reduced by eliminating obesity and halving the number who are overweight.

Another 1.75 billion people could be fed if we halve the amount of cereals that, on a business-as-usual basis, would be used for animal feed by 2050. This figure is based on the 2009 UNEP report (UNEP 2009) which calculates that the cereals that, on a business-as-usual basis, are expected to be fed to livestock by 2050 could, if they were instead used to feed people directly, provide the necessary food energy for more than 3.5 billion people.

If a target were adopted of halving the amount of cereals that, on a business-as-usual basis, would be used for animal feed by 2050, an extra 1.75 billion people could be fed.

The total number of extra people who could be fed by taking these policy measures comes to 3.06 billion.

Compassion therefore recommends that Defra studies these reports and develops policy proposals to present to government and to the EU for consideration, rather than accepting the Malthusian-type predictions of the Foresight Report.

Compassion also takes issue with the statement in paragraph 20 that “The challenge for the UK agricultural sector is one of sustainable intensification”. Defra has never clarified how it would apply this term in the livestock sector.

Intensification in this sector usually implies breeding for higher productivity, increasing stocking densities etc. There is already abundant evidence showing the adverse impact of selective breeding for productivity purposes on the health and welfare of a range of farm animal species, from broiler chickens to dairy cows. Increasing stocking densities places further stress on animals and leads to degradation of the animals’ environment, be it indoors or outdoors. (Compassion is happy to supply extensive evidence to support these statements.)

Compassion is only commenting on the numbered questions where we have relevant views.

#### **Q1. Should the EU have competence for agriculture and plant health?**

We believe it is of overall benefit if the EU maintains competence for agriculture. It allows for a more rational, European regional scenario and a sense of fairness between Member States (MS). In the area of farm animal welfare, it has huge potential to raise welfare standards for millions of animals, especially in certain MS, where their governments might take years to introduce pro-welfare legislation of comparable impact.

#### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**



Compassion maintains concern about the direction of agriculture often promoted both at EU level, particularly originating from DG Agri, but also, increasingly often, by UK Ministers. There seems to be a blind acceptance of the latest technological innovations such as cloning animals for food. This acceptance appears to be based on the belief that scientific expertise is a good in itself. The truth in this case is that both the European Food Safety Authority (EFSA) (EFSA 2008) and The European Group on Ethics in Science and New Technologies to the European Commission (EGE) have raised serious concerns about the health and welfare impacts of cloning, with the EGE saying they do “not see convincing arguments to justify the production of food from clones and their offspring”. (EGE 2008).

It often seems as if the recognition of animals as “sentient beings” in the Treaty on the Functioning of the EU, (which you have itemised in the Legal Annex) is too often ignored. It deserves to be put into practice and not remain as lip service to an ideal.

**Q3. – Q7.** Not Answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Multilateral and bilateral EU Trade agreements have the potential to expand market opportunities for UK farmers, especially for those who market products which build on the country's natural assets of grassland etc, such as organic and high welfare, pasture-based farming. The EU is better placed, due to its size, to negotiate such deals. However a possible risk to UK farmers is that the EU may be flooded by imports of cheap, inhumanely produced animal products.

**Q9. – Q11.** – Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

Compassion favours subsidies which are related to public goods such as support for hill farmers, environmental enhancement or improved animal welfare. It is possible that if the UK had governance of the total current CAP “pot”, then it might direct a greater proportion of financial support to such areas.

**Q13.** Not Answered

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Whilst the MS and the EU must of course promote a strong agriculture sector to support farmers and rural development, this cannot be done in isolation from the needs of developing countries. Old practices, such as dumping cheap chicken into

the markets of western African countries cannot be justified. With the current development of the post-2015 Sustainable Development goals, there is an opportunity for all to find a truly sustainable future for agriculture which is based on ethical principles.

**Q15.** Not Answered

References.

WRI 2013. *Creating a Sustainable Food Future. A menu of solutions to sustainably feed more than 9 billion people by 2050.* World Resources Report 2013–14: Interim Findings.

UNEP 2009. Nellemann, C., MacDevette, M., Manders, et al. (2009) *The environmental food crisis – The environment’s role in averting future food crises.* A UNEP rapid response assessment. United Nations Environment Programme, GRID-Arendal, [www.unep.org/pdf/foodcrisis\\_lores.pdf](http://www.unep.org/pdf/foodcrisis_lores.pdf)

EFSA, 2008. *Scientific Opinion of the Scientific Committee on a request from the European Commission on Food Safety, Animal Health and Welfare and Environmental Impact of Animals derived from Cloning by Somatic Cell Nucleus Transfer (SCNT) and their Offspring and Products Obtained from those Animals.* EFSA Journal, 767: 1-49.

EGE 2008. *Ethical aspects of animal cloning for food supply - Opinion No 23 .* [http://ec.europa.eu/european\\_group\\_ethics/index\\_en.htm](http://ec.europa.eu/european_group_ethics/index_en.htm)

## Confor

Forests are much more complex than fields of a single crop or livestock, and there is huge variety between Member States. Forests are also planted and managed for many different economic, environmental and social reasons, with government having very different views on where and how they will intervene. Trying to introduce elements of commonality across the EU would be very difficult, and providing competency to the EU would encourage efforts to do this.

Current EU legislation to forestry is, in the main unhelpful at best and occasionally very damaging and counter-productive. European Protected Species, for example, reduces beneficial woodland management and sees everyone from ENGOs to professional foresters, nervous about working in woodlands.

Experience with EU grant schemes related to forestry is that they have made processes of financial support very much more bureaucratic, complicated and expensive both to administer and apply for. They also place limits on what can be supported, targeting funding at common objectives rather than what is appropriate for each member state.

## Cooney, David

### **Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. – Q15.** Not Answered

## Coppard, Carole

### **Q1. Should the EU have competence for agriculture and plant health?**

No the regulations should only be used for large scale farming. Seeds for use in gardens and allotments should be controlled by UK laws not the EU which I for one do not recognise as having the right to dictate to the UK.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

There is no evidence, they are doing this so that the likes of Monsanto and other giant parasitic corporations control the use of seeds and food production.

#### **ii) disadvantages the UK national interest?**

The EU is only catering to the rich globalists and not to the population of Europe and definitely not to the UK.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less EU action, these are foreign countries dictating to a sovereign country what we have to do, they should keep out of our affairs

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The single market is a globalist's wet dream; we did not vote for this we voted for free trade movement not a dictatorship that wants to control our biosecurity.

### **Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?** None.

**ii) disadvantages the UK national interest?**

Everything the EU does in the respect of forestry, fishing and farming disadvantages our national interest and security.

**Q6.** Not Answered.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** None

**ii) disadvantages the UK national interest?**

They have destroyed our fishing industry, they want to destroy our right to create our own seed.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

They hinder us, they keep dictating to us what THEY want not asking what is best for us in the UK.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

There is too much bias in Brussels favour, they have been given too much power.

**ii) How could current arrangements be improved?** By leaving the EU.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Everything is geared towards the Europeans not us. We pay one of the highest contributions and get shafted at every turn. If we give control to Europe over seed production we can wave our rights to grow our own food in our gardens and allotments goodbye.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

This has been a disaster as more and more farmers have stopped growing food and have replaced their food crops with biofuel crops.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i)**

**direct payments, (ii) single common market organisation, (iii) rural development.**

They hinder us because more and more land has been turned to biofuel crops and less to agriculture, this does not help our balance of payments and we are having to import more and more crops from abroad that could be GM contaminated.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

We will be swallowed by the EU and will have no diversity left.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Trade only the EU should not be making our laws.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

It is time we stood up to the EU and told them where to go. We have survived for thousands of years without them and we do not need them now, they have destroyed our agricultural and rural infrastructure.

## **Cox, Nicola**

**Q1. Should the EU have competence for agriculture and plant health?**

If it is for the wholesale market then perhaps BUT putting restrictions on the individual and taking away the choice of what you can grow in your own back garden just isn't right.

**Q2 - Q15** Not Answered

## **Craig, Robert**

**Q1. Should the EU have competence for agriculture and plant health?**

Non! Definitely no way. The EU should NOT make decisions about seeds (plant reproductive material) intended for gardeners. Gardens and allotments are non commercial and therefore in a different sector to Agriculture, gardening does not require strict EU-level regulation. I wish to continue and indeed feel it is my right to grow heritage, conservation and organic varieties!!!

**Q2. – Q15.** Not Answered

## Crop Protection Association

The Crop Protection Association represents companies in the UK engaged in the development and manufacture of plant science technologies including pesticides (plant protection products); a full list of Members can be found at:

<http://www.cropprotection.org.uk/members.aspx>

Pesticides used in agriculture include insecticides, fungicides, herbicides and growth regulators. They are designed to tackle a wide variety of crop pests, diseases and weeds and so optimise yields while contributing to a sustainable farming system that protects the environment. Conventional agriculture focuses on approaches that aim to maximise yields on a given area of land, thus ensuring both the productivity of cultivated land and the availability of non-cultivated land for other purposes.

Pesticides are amongst the most heavily-regulated products in Europe and it currently takes around a decade, costing over £150m, to bring an active ingredient to market. A large proportion of this time and cost is dedicated to research required under the regulatory system to achieve registration. This regulatory process, involving rigorous scrutiny by independent scientific experts, ensures plant protection products are safe for consumers, for the people who use them and for the environment.

The registration process has been harmonised across Europe through EU legislation since the 1990s and this has been welcomed in principle by the plant protection industry. However the implementation of new legislation in 2011 (Regulation 1107/2009) has greatly increased the complexity of the regulatory process. The introduction of hazard-based cut-off criteria for active substances as well as the comparative assessment of products will lead to a substantial reduction in the availability of crop protection solutions. This will have potentially important implications on international trade and the competitiveness of EU, and thus UK, agriculture without providing any improvement in the protection of human health and the environment.

The impact of Europe's obstructive approach to modern farming methods can be seen in recent research into R&D investment on crop protection in Europe:

[http://www.cropprotection.org.uk/media/46088/r\\_study-final\\_report.pdf](http://www.cropprotection.org.uk/media/46088/r_study-final_report.pdf)

Conducted by consultants Phillips McDougall, the Report showed that the share of crop protection R&D investment attributable to products being developed for the European market, as a proportion of global investment, has fallen from 33.3% in the 1980s to 7.7% in the 2005-14 period.

This is resulting in European farmers having far less new technology to drive agricultural production than their competitors in other regions of the world. This is particularly important as not only does Europe have one of the highest levels of potential agricultural productivity in the world, but climate change projections show

that it will become even more favourable for production compared to most other regions over the next 50 years.

The Crop Protection Association believes that, in order to support sustainable agriculture and ensure the safety of authorised products, the EU regulatory system should be based on a robust risk evaluation.

This issue was identified in the Business Task Force's report "Cut EU red tape", Section E.4 "Crop protection rules that make EU farmers less competitive".

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/249969/TaskForce-report-15-October.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/249969/TaskForce-report-15-October.pdf)

Article 82 of Regulation 1107/2009 requires the Commission to review the operation of the Regulation by 14 December 2014. However the Commission has indicated that this will be delayed for a number of years.

The Crop Protection Association is pressing for the Commission to review both Regulation 1107/2009 and also Regulation 396/2005 (on the setting of Maximum Residue Levels) in 2015.

By focusing on risk assessment, it would be feasible to reduce the complexity that has been added to the regulatory process. The removal of the hazard based criteria would remove a significant barrier to new innovation in chemical crop protection. A process based on a detailed risk assessment will ensure a final evaluation that is robust and focused on sound science, ensuring a high level of protection for human health and environment.

In conclusion, the principle of EU harmonisation of pesticide authorisation should be of benefit to the industry but the nature of the legislation has in practice been damaging. The ability of the UK to influence EU legislation is clearly limited and, with the Commission's negative view of agricultural technology, that has to be a major concern for the future of UK farming.

## Cross, John

### **Q1. Should the EU have competence for agriculture and plant health?**

Perhaps for commercial agriculture BUT the EU should not regulate seeds and plants intended for gardeners and home growers whose needs are often completely different to the commercial grower

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

There is no evidence to support this in fact the contrary is true

#### **Q2. ii) – Q15. Not Answered**

## Cross, John Nigel

### Q1. Should the EU have competence for agriculture and plant health?

I have 30 years experience in horticulture, including being a lecturer at Durham agricultural college.

I believe that the seed issue should apply only to the farming industry, not to the allotment or amateur gardeners.

Control should be with the U.K.

Q2. - Q15. Not Answered

## Cross, Julian

### Q1. Should the EU have competence for agriculture and plant health?

Garden plants and garden seeds should NOT be covered by EU regulation, but instead controlled by UK laws.

Q2. - Q15. Not Answered

## Dalavich Gardening Group

### Q1. Should the EU have competence for agriculture and plant health?

I have been growing my own food for many years and now teach friends and neighbours how to do so. I think it is vitally important that we are able to access seed from small, local producers who are able to preserve heritage varieties that would otherwise be lost. I believe that it is not appropriate for UK gardeners to be regulated by the EU as if they were farmers since they have very different needs. Garden plants and seeds should not be regulated in the same way as cereals and potatoes grown on hundreds of acres.

Q2. - Q15. Not Answered

## Davison, Dr Malcolm

### Q1. Should the EU have competence for agriculture and plant health?

It may be reasonable for the EU to legislate with respect to large-scale farming, but totally inappropriate for the practice of individual home gardeners. I have been growing my own local varieties of fruit and vegetables for more than fifty years. These varieties are not those grown commercially and it would be a serious loss if they could not continue to be propagated. It is most important to retain the ability for



local food production, rather than rely entirely on the poor quality of food currently in supermarkets.

**Q2. – Q15.** Not Answered

## **Day, Paul**

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should not have competence over seeds marketed for amateur growers in their homes.

**Q2. – Q15.** Not Answered

## **Dean, Charlotte**

### **Q1. Should the EU have competence for agriculture and plant health?**

NO! The EU should not make decisions about seeds for home growers. Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. – Q15.** Not Answered

## **Dennemeyer, Hendrik**

### **Q1. Should the EU have competence for agriculture and plant health?**

I can understand the EU having competence over major agricultural practices, but I do not think they should have a say over plant reproductive material on the scale of home gardeners and small commercial growers, they should be able to have the choice between official EU seed and whatever they think is best, including saving their own seed.

**Q2. - Q15.** Not Answered

## **Department of Agriculture and Rural Development for Northern Ireland (DARDNI)**

### **Q1. Should the EU have competence for agriculture and plant health?**

The CAP was one of the earliest examples of European policy and the rationale for continuing EU competence in this area is as valid today as it was 50 years ago. There is very extensive trade in agricultural products within the EU and this is

facilitated by a common policy framework which underpins this free movement of agricultural produce and seeks to avoid distortions of competition within the Union. We need to sustain and grow our trading relations with our European partners and this is best achieved within a common framework which we have had a hand in creating.

Current concerns about a common approach to plant health derive from the rules governing international trade rather than primarily about the risk of importing pests and diseases into these islands from continental Europe. The greatest risk by far stems from intercontinental trade, where the UK has a key interest in maintaining this free flow of goods, while still protecting the plant health status of ourselves and our neighbouring Member States.

As the EU has grown, so has its agricultural diversity. Hence, within the common policy framework, it is essential that regional flexibility, introduced into the CAP during the 2003 reforms and developed in the latest CAP Reform package, continues to evolve whilst safeguarding against potential internal distortions of competition.

## **Q2. What evidence is there that the EU approach to agriculture:**

### **i) benefits the UK national interest?**

### **ii) disadvantages the UK national interest?**

The current shape of the rural landscape and rural society has been influenced by the development of the CAP over 50 years – and it is difficult to contemplate what the farmed landscape would look like in the absence of CAP without knowing what alternative is being contemplated. As things stand, CAP provides essential support to Northern Ireland farmers, amounting to almost £300 million annually. It sustains farming communities and traditional farmed landscapes and has spill-over benefits for the broader rural society and economy. The absence of the annual support such as that provided by the CAP would have profound negative consequences for all of these aspects of rural life. This needs to be considered not just in terms of the simple loss of a financial injection into the rural economy, but also the much greater exposure of the agri-food and rural sectors to the damaging effects of very substantial income volatility.

Rural development funding from Europe is also a vital source of support, assisting in helping some of our most vulnerable and deprived rural communities, developing tourist potential, protecting the environment and assisting rural businesses.

While we argue strongly that some of the rules imposed around CAP implementation are disproportionate and impose unnecessary bureaucratic burdens and costs on farmers and administrations alike, we concede that some of this complexity comes from the need to address the individual situation in each of the EU regions.

Nevertheless, as a point of principle we believe that a greater focus on the costs relative to the benefits of these controls is something which needs to be addressed

under future CAP Reform negotiations, to sit alongside the need to maintain the Single European Market.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or give examples to illustrate your point.**

The agri-food sector is more important to the economy of Northern Ireland than it is in the rest of the UK. It contributes over £4bn of sales and accounts for almost 10% of private sector employment. The importance of the sector and its growth potential were recognised in both the Northern Ireland Economic Strategy and Programme for Government 2011-15, which both contained a commitment to create a strategic development plan for the sector. The industry-led Agri-Food Strategy Board (AFSB) was formed to take forward this work and its report, 'Going for Growth', was published on 16 May 2013.

The Board's Strategic Vision for the industry is: "Growing a sustainable, profitable and integrated agri-food supply chain, focused on delivering the needs of the market" and it sets a number of challenging targets for the sector, including 60% growth in sales, 75% growth in external sales and 15,000 new jobs.

There are recommended actions for both industry and government in order to meet these ambitious growth targets, and the support mechanisms and funding streams available under the CAP are recognised as the key means of unlocking the growth potential of the sector. This growth will be export led and will be facilitated by a fair and open trading environment within the EU (including the uniform application of marketing standards to products from all sources), as well as access to non EU markets. It is difficult to see how this could be achieved more effectively with less EU action.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK bio-security resulting from the free trade in plant products?**

It is virtually impossible to respond directly to this question in any meaningful way, and certainly not in the absence of a complex analytical framework. The question almost implies that there is a choice to be made between trade and biosecurity, whereas in reality it is not that simple and the benefits of neither could be forgone. There is certainly a balance to be struck between the benefits of free trade, the enhanced bio-security risks that this may pose and the costs of mitigating these additional risks. In this context, the question to be posed is whether that balance is currently correct, and the answer to that question is probably influenced by the context in which it is posed. Certainly the increased incidence and heightened awareness in very recent years of exotic tree diseases has probably tipped the balance towards a less liberal stance on trade in plants and plant products.

**Q5. What evidence is there that the current competence over forestry policy:  
i) benefits the UK national interest?**

## **ii) disadvantages the UK national interest?**

The EU has no competence over forest policy but, like other parts of the economy, is affected by EU competence in (i) agriculture and rural development, (ii) State Aids and (iii) the environment.

There is no doubt that EU support for agriculture plays some role in the re-creation of forested landscapes in the north of Ireland. However, this is a complex situation, and the existence of CAP alone does not explain the current low density of forestry compared with most other European regions. In this context, EU legislation on the environment (the Habitats, Birds and Water Framework Directives) probably reflect the balance of citizen opinion in the north of Ireland, and a return to national competence would probably not result in major differences in forest policy choices.

## **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Given the very wide diversity in agriculture and plant health issues that exist across the EU, it is important that regional flexibility is built into EU policy frameworks to enable more tailored solutions to be developed to meet local needs and circumstances. However, it is stressed that the retention of the EU framework remains highly important to avoid unjustified distortions.

On a larger scale, it is appropriate to have decisions around free trade movements and transnational plant disease control taken at the EU level.

## **Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

### **i) benefits the UK national interest?**

### **ii) disadvantages the UK national interest?**

At its most basic, the balance of decision making ensures that, following the Treaty of Lisbon, MEPs now have the power of co-decision over the areas outlined in this report. This ensures that, as well as the national Government in the Council, the political representatives of the Parliament can articulate the views of constituents and key stakeholders during negotiations. It represents another opportunity to influence the outcome of the EU decision making process. The experience during the recent CAP negotiations is that very specific but important matters can be pursued successfully via this mechanism by opening up a direct line of communication between the Parliament and regional administrations and stakeholders. This can complement very effectively the pursuit of higher level issues that tend to be the focus of the Council.

## **Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these**

## **agreements and the EU's role in negotiating them help or hinder the UK national interest?**

These agreements can be of significant national benefit to the UK and, indeed, to the EU as a whole. Clearly, given the open trading environment within Europe, these negotiations must be conducted by the EU and any agreement reached must apply to all Member States, thus maintaining a level playing field. The negotiations generally encompass more than just agriculture and, hence, there is usually a trade-off between sectoral interests in arriving at a final agreement. Overall, the EU has demonstrated a keen concern not to grant unacceptable concessions within the sphere of agriculture and to seek balanced outcomes. This we welcome.

The EU-Canada Trade Deal Agreement signed this year ensured that the EU and Canada will abolish approximately 93 per cent of agricultural tariffs. This and similar agreements will ensure greater market opportunities for our farmers and food producers.

The EU-Peru Free Trade Agreement, which was signed in 2010 and provisionally came into force on 1st March 2013, brought a large number of benefits to the EU in the area of agriculture which will undoubtedly benefit the UK national interest. EU dairy exporters will benefit from an initial tariff rate quota for skimmed milk powder and cheese, with full liberalisation after a transitional period, while hams will be liberalised after 5 years. Exports of wines & spirits, pork products and olive oil will also benefit from preferential access. The Agreement also foresees that 115 European food names ("geographical indications") will be protected in Peru.

### **Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

The influence of the single Common Market Organisation has declined hugely over the course of the past 10 years given the direction of CAP reform since the early 1990's (which has resulted in a major shift from price support to direct payments). However, the principle of a single Common Market Organisation should be maintained as it is the key to delivering a level playing field in terms of competition and to providing a safety net in the event of severe market disturbance. Its direct influence on markets in normal circumstances is now relatively muted and so it could be judged as achieving an appropriate balance.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

It is well recognised that the imposition of common basic standards is one of the ways in which governments can facilitate business and trade and eliminate unnecessary costs and risks for producers, processors and consumers. Markets cannot function efficiently where common standards are absent and buyers cannot have confidence to enter the market. To be effective in this regard, it is important that the standards are properly, appropriately and impartially enforced. The horsemeat scandal of last year provides a good example of the costs and disadvantages that can result when there is a breakdown in enforcement and a loss of market confidence (and indeed, gives an indication of what might happen in the absence of common standards). There have been many examples of food and plant health scares over the years across Europe and, indeed, globally (e.g. adulterated infant milk formulas in China a few years ago and, more recently, Asian longhorn beetle infestation). The value of common and enforced standards cannot be overstated from our perspective both as an importer and exporter of agricultural goods and packaging material. Although the UK has a strong voice in the international fora that sets and monitors standards, its voice is strengthened by its influence within the EU trading bloc.

**Q11. What evidence can you provide which shows the effect, of EU bio-fuel support policies on agricultural commodity markets and food prices?**

The EU has a directive on bio-fuels which sets a minimum target of 10 per cent (energy content basis) renewable fuels in transport by 2020. Research commissioned by the Department of Agriculture and Rural Development (DARD) indicates that expansion of first generation bio-fuel production will have significant impacts on the agricultural sector. These impacts include increased production and imports of rapeseed. While it is projected that EU grain production will remain relatively unchanged and the increased demand for grains is met through significantly reduced exports of wheat and barley and increased imports of maize.

The EU is more aware of the unintended consequences of replacing food crops with energy crops and now sees second generation bio-fuel production from, for example food waste, as being important in meeting the 10% minimum target, along with use of electric cars. Overall the DARD commissioned research indicates the complexity of the bio-fuels sector and its interactions with the agricultural sector. It is important that the EU continues to remain aware of the significant impacts policies affecting first generation bio-fuel production can have on the agricultural sector.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives of the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

A common set of rules to administer direct payments is essential, although Member State and regional flexibility where appropriate is essential. However, EU decision making processes have a tendency not to take into account practical implementation

issues, nor to recognise the concept of diminishing returns and the escalating costs relative to the benefits in striving for perfection in implementation processes. EU audit procedures can result in the main implementation priority being to avoid disallowance rather than the efficient management of schemes. However, that needs to be addressed via EU reforms rather than a change in competency.

The Single Common Market Organisation does not have a major impact in Northern Ireland due to CAP reforms.

The process required by the EU to develop Rural Development Programmes involves an in-depth analysis of the situation within the agri-food industry and in the wider rural economy. This analysis identifies opportunities for investment and development in line with the broad strategic objectives set by the EU for rural development. There is sufficient flexibility within the EU proposals for rural development to allow each Member State to develop a programme of support tailored to their specific needs. The discipline imposed by this analysis means that the interventions that are funded from both EU resources and the resources of the Member State are better targeted and are likely to achieve a greater impact than if simply left to the Member State to develop.

However, once a programme of support is developed, implementation of the interventions is governed by EU rules and requirements. The inflexible nature of the rules and the threat of disallowance mean that programmes focus more on the process and less on the outcome of the intervention. In some cases, rules may be followed but the intervention fails to achieve its intended impact. In other cases, the outcome is achieved but a deviation from the process to achieve that outcome means that the intervention is disallowed. EU programmes need to be more flexible and more focused on the achievement of the strategic objectives set at the start of the programming period and less on the processes deployed.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Cuts in the CAP budget for the new financial perspective and the recent CAP Reforms will impact upon the agriculture sector across every Member State. How the industry responds to those cuts and adjusts to the reformed CAP remains to be seen.

Future trade liberalisation has the potential to expose the agricultural sector to greater competitive challenge, but also to greater market volatility. Coping with volatility will be an increasing focus of EU policy.

Expanding global markets will both directly and indirectly affect the market opportunities available to EU food producers. However, resource pressures could inflate input costs (as well as making them more volatile), thus offsetting some of the potential benefits and opportunities.

Greater trade and climate change will bring greater challenges in terms of plant health and the spread of exotic pests and diseases.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Most of the challenges will operate at an international level and the focus of EU competence should be to respond by developing an appropriate overarching policy framework with sufficient regional flexibility to facilitate finessed solutions as local levels.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?** No.

**Dove, Fiona**

**Q1. Should the EU have competence for agriculture and plant health?**

The EU may be capable of providing competence in the field of large-scale agriculture but it should not have competence for small-scale (market-garden), allotment or garden-scale agriculture/horticulture. The demands of this sector are too varied and dependent on local climate and soil conditions for the EU to be competent.

**Q2. - Q15.** Not Answered

**Dulfer, Hans**

**Q1. Should the EU have competence for agriculture and plant health?**

EU regulations should only cover commercial farming on large scale. For home-garden seeds and plants UK laws only can be applied

**Q2. - Q15.** Not Answered

**Dunn, Hayley**

**Q1. Should the EU have competence for agriculture and plant health?**

The EU should not make decisions about which plant and vegetable seed varieties are available to individual citizens. Home gardeners are not the same as big agricultural and commercial growers and should not be regulated in the same way.

**Q2. – Q15.** Not answered

**Dunne, Terry**

**Q1. Should the EU have competence for agriculture and plant health?**



I feel most strongly that the EU should not be telling us what we can and cannot grow in our gardens and on our allotments.

As gardeners and allotment holders we surely cannot fall under the same umbrella as big agricultural business concerns.

We are a completely different sector to the big agricultural businesses. Also I fear that many of the more rare species of vegetable will be lost to us for good if this law is introduced.

**Q2. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I really feel that these decisions should be made by DEFRA.

**Q7. - Q15.** Not Answered

## **Duthie, Dr. Joanna**

**Q1. Should the EU have competence for agriculture and plant health?**

I do not believe that the EU should have competence for agriculture and plant health in the UK as the policy treats gardeners growing for pleasure and to provide for their families in the same way as big agribusinesses. Gardeners do not require strict seed laws to protect quality of seed if they are only intending to grow small quantities of heritage varieties.

**Q2. - Q15.** Not Answered

## **Eastaugh, Alice**

**Q1. Should the EU have competence for agriculture and plant health?**

Garden plants and seeds should not be regulated in the same way as cereals and potatoes grown on hundreds of acres. It is not appropriate for the EU to regulate UK gardeners as if they were farmers, as they have very different needs, and the attempt to regulate this area could also damage small businesses that produce seeds for this market.

**Q2. – Q15.** Not Answered

## Eastaugh, Andrew

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should not have competence over any mater relating to gardens and small holdings

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

It is limiting biodiversity which is not in the interests of the UK

#### **ii) disadvantages the UK national interest?**

The limitation of species variety is detrimental to competitiveness which is against both our national interest in terms of biodiversity and the commercial interest of a free market economy.

The EU regulation and free trade did nothing to prevent the spread of ash dieback to the UK.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less as evidenced by recent attempts by EU to increase regulation of seeds and plant material

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The EU regulation and free trade did nothing to prevent the spread of ash dieback to the UK

**Q5. – Q15.** Not Answered

## Edge Lane Allotment Society

### **Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. - Q15.** Not Answered

## Edwards, Kirsti

### **Q1. Should the EU have competence for agriculture and plant health?**

No, I believe that the UK should set our own regulations. Moreover, I feel very strongly that small gardeners and allotment holders should be exempt from laws covering farmers seed availability; our needs and uses are very different to theirs.

**Q2. – Q5.** Not Answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I believe that the DEFRA is best placed to make decisions on a national level, in the best interests of our country, and a one size fits all policy made in Brussels is absolutely unsuitable.

**Q7. - Q15.** Not Answered

## Elmwood Seeds Ltd

**Q1. – Q9.** Not Answered

### **Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers or businesses both domestically and when exporting abroad?**

Common standards on plant reproductive materials and plant health are a benefit to our small company as we work closely with a French company exchanging plant material and seeds.

**Q11. – Q15.** Not Answered

## Environmac Ltd

1. The auditing requirements although understandable considering the abuses of the past are now excessively onerous in comparison to the sums involved.
2. Agricultural subsidies are extremely important for all agriculture but particularly for those living in fragile areas (e.g. the Highlands of Scotland).
3. Support is best delivered locally. It is impossible at EU level to decide anything other than the broad principles. It is arguable that this situation might also exist at a national level.

4. To reduce the opportunities for abuse and ensure that production does not create what the market does not desire support should principally be based on land-use with a small supplementary element focused on production.
5. Some form of system needs to be introduced to place a limit on the Government's liabilities while concurrently providing confidence to land users to make long-term investments. Auction of land-use options?

## **EPA EBA London Sugar Group**

In responding to your request for comments on the Review of the Balance of Competences I must firstly acknowledge that the ACP/LDC, London Sugar Group of which I am Chairman has little to contribute to the debate on the balance of competences itself. Our principals (the ACP and LDC Governments) freely recognise that as trading partners of the EU we occupy a role at the margins of the CAP, which is essentially a matter for the Member States. However, sugar is one of the rare products which has a market structure designed to embrace both the domestic sugar production sector and a significant structural import contribution. This is linked to the provision of tariff preference within the overall EU/ACP relationship as defined in the Cotonou Agreement and reinforced by new EPA arrangements. The CAP sugar regime is therefore of considerable importance to us.

It is perhaps worth recalling that many of the sugar supplying countries of the ACP have very long cultural and trading links with the United Kingdom and have been able to benefit from that relationship in seeking support in discussions with the EU. This has become even more important in recent years as the expansion of the EU to 29 members has introduced a number of countries which have no similar history with the ACP and for a large part seem to feel disconnected from our interests.

I noted in your diagrammatic opening presentation at the Workshop a reference to lack of Policy Coherence. Whilst recognising that the CAP is primarily an inward looking policy we have been alarmed for some time that the EU is not merely subordinating but is in fact ignoring its commitment to provide such policy coherence in its approach to agriculture, trade and development as these affect the ACP/LDC countries. The recent agreement to reform the sugar regime from October 2017 which has taken place within the overall review of the CAP has had no regard for this overarching principle which is enshrined not only in Cotonou but also in the Economic Partnership Agreements which are currently under intense negotiation with a number of the ACP LDC countries and which have already been signed with the CARIFORUM group and a number of East and Southern African countries. Not only has the EU totally overlooked its treaty commitment to consult in advance of taking any steps which impact on certain key crops of which sugar is a notable inclusion. There also seems to have been a total dismissal of the commitment to Policy Coherence for Development which is enshrined as a treaty obligation in article 208 of the Lisbon treaty. It is particularly disappointing that we have been unable to

generate any interest by HMG in supporting our efforts to ensure that the reform of the sugar regime took full account of the negative impact of the lapse in beet quotas in 2017 on the real value of the long-standing preference accorded to us. The impact on the trade with the EU and consequently on the socio-economic structure of many of our industries has not in our view been given anything like enough attention.

As an example whilst we have been grateful for the Accompanying Measures for Sugar Protocol countries which was awarded in 2007 (and which we know was fully supported by HMG), the experience of its administration has been generally disappointing. It has certainly been delayed in execution well beyond the time anticipated and has therefore damaged the crucial element of timeliness in executing the Action Plans devised to assist ACP countries to survive and prosper in a more liberal trading environment. It now appears that the overall fund will have been closed on 31<sup>st</sup> December with a significant deficit experienced in disbursement. It is especially regrettable that the most vulnerable countries which were unable to receive the funds in the form of budgetary support have suffered most. As a result the latest Sugar regime reform will not have been properly synchronised to allow the ACP adaptation strategies to have completed their planned improvements. We are convinced that the CAP sugar reform is unnecessarily premature and will as acknowledged by the EU's own studies damage ACP/LDC trade with the EU and in consequence the wider developmental objectives of many countries

## **Erwin, Julie**

### **Q1. Should the EU have competence for agriculture and plant health?**

No, this should be retained at the national level where the understanding of the needs of the various concerned groups is greatest. This applies especially for gardeners, who do not need such intensive legislation.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

The EU approach will be immensely detrimental to UK gardeners as the cost of implementing compliance with the legislation (£3,000 per variety) will result in a decrease in the range of seeds available, where the cost of registration far outweighs the sales in less popular seeds which, nevertheless, are part of our heritage.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Keeping a wide range of seeds available under less onerous UK control will greatly benefit the viability of the UK gardeners' suppliers market through enabling a range of providers to different niche markets, variety and through that, healthy competition.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

They don't. We see the effects in the recent Ash die-back problem.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Decisions should be taken at the national level for seeds and plants intended for small-scale and garden use. It is not appropriate to do this at EU level.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

Making these decisions at EU level for seeds and plants intended for small scale, gardener level use will inflict unsustainable costs on small scale sellers of seeds and plants or on large scale suppliers but for less popular varieties.

This will ultimately lead to a smaller and smaller range of plants available which, in the event of changes (e.g. climate change), potentially makes the country's 'informal' food supply vulnerable if we are dependent upon a small range of plants which cannot cope with the change.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The interests of other countries are not necessarily the same as the UK's. If these are negotiated at the EU level then there is potential for taking the line of 'best fit'. There is no predicting, then, that the line will be close to UK interests or substantially removed.

**Q9. - Q15.** Not Answered

## **European Commission**

### **UK Review of the balance of competences**

#### **VI) Agriculture**

##### **1. OVERVIEW**

- European Commission/DG Agriculture and Rural Development  
[http://ec.europa.eu/agriculture/index\\_en.htm](http://ec.europa.eu/agriculture/index_en.htm)
- The history of the CAP  
[http://ec.europa.eu/agriculture/cap-history/index\\_en.htm](http://ec.europa.eu/agriculture/cap-history/index_en.htm)
- The 2008 CAP "Health Check"  
[http://ec.europa.eu/agriculture/cap-history/health-check/index\\_en.htm](http://ec.europa.eu/agriculture/cap-history/health-check/index_en.htm)
- The Common Agricultural Policy after 2013  
[http://ec.europa.eu/agriculture/cap-post-2013/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm)

## 2. CAP REFORM PROCESS: MAIN DOCUMENTS

### 2.1 Commission Communication (2010)

Communication from the Commission to the European Parliament, the Council, the European Economic and Social committee and the Committee of the Regions "The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future", COM(2010) 672 final

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0672:FIN:en:PDF>

### 2.2 Legislative acts

- Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0608:0670:EN:PDF>
- Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0671:0854:EN:PDF>
- Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:346:0012:0019:EN:PDF>
- Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0487:0548:EN:PDF>

- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0549:0607:EN:PDF>
- Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0865:0883:EN:PDF>

### 2.3 Impact assessment of "CAP towards 2020":

- Impact assessment  
[http://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/cap-towards-2020/index\\_en.htm](http://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/cap-towards-2020/index_en.htm)

## 3. OTHER ONGOING AND FUTURE INITIATIVES

### Agricultural and agri-food product promotion policy

- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on promotion measures and information provision for agricultural products: a reinforced value-added European strategy for promoting the tastes of Europe (2012)  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0148:FIN:en:PDF>
- Proposal for a Regulation of the European Parliament and the Council on information provision and promotion measures for agricultural products on the internal market and in third countries (2013)  
[http://ec.europa.eu/agriculture/promotion/policy/legislative-proposal/pdf/text\\_en.pdf](http://ec.europa.eu/agriculture/promotion/policy/legislative-proposal/pdf/text_en.pdf)
- Impact assessment (2013)  
[http://ec.europa.eu/agriculture/promotion/policy/legislative-proposal/pdf/impact-assessment-text\\_fr.pdf](http://ec.europa.eu/agriculture/promotion/policy/legislative-proposal/pdf/impact-assessment-text_fr.pdf)

## 4. CURRENT POLICY AND LEGISLATION IN FORCE

### 4.1 Direct Payments



#### 4.1.1 Legislation

Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009<sup>26</sup>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0608:0670:EN:PDF>

- Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003<sup>27</sup>  
<http://eur-lex.europa.eu/Notice.do?val=487824:cs&lang=en&list=726990:cs,615181:cs,560970:cs,510146:cs,508452:cs,499808:cs,499492:cs,490624:cs,487824:cs,487527:cs,&pos=9&page=1&nbl=10&pgs=10&hwords=>
- Commission Regulation (EC) No 1120/2009 of 29 October 2009 laying down detailed rules for the implementation of the single payment scheme provided for in Title III of Council Regulation (EC) No 73/2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers (O.J. L 316, 2/12/2009, p. 1.)  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:316:0001:0026:EN:PDF>
- Commission Regulation (EC) No 1121/2009 of 29 October 2009 laying down detailed rules for the application of Council Regulation (EC) No 73/2009 as regards the support schemes for farmers provided for in Titles IV and V thereof  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:316:0027:0064:EN:PDF>
- Commission Regulation (EC) No 1122/2009 of 30 November 2009 laying down detailed rules for the implementation of Council Regulation (EC) No 73/2009 as regards cross-compliance, modulation and the integrated administration and control system, under the direct support schemes for farmers provided for that Regulation, as well as for the implementation of Council Regulation (EC) No 1234/2007 as regards cross-compliance under the support scheme provided for the wine sector  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:316:0065:0112:EN:PDF>

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<sup>26</sup> This regulation will apply to support claimed as of year 2015.

<sup>27</sup> This regulation and the implementing rules relating to it will apply until end of year 2014.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:246:0003:0003:EN:PDF>

#### 4.1.2 Implementation of direct payments

Overview implementation of direct payments in the Member States

[http://ec.europa.eu/agriculture/direct-support/pdf/implementation-direct-payments\\_en.pdf](http://ec.europa.eu/agriculture/direct-support/pdf/implementation-direct-payments_en.pdf)

Overview implementation of specific support in the Member States

[http://ec.europa.eu/agriculture/direct-support/pdf/implementation-specific-support\\_en.pdf](http://ec.europa.eu/agriculture/direct-support/pdf/implementation-specific-support_en.pdf)

#### 4.3 Market Measures

- Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0671:0854:EN:PDF>

(This regulation lays down the horizontal rules and rules applicable to specific sectors.)

- Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:346:0012:0019:EN:PDF>

(This regulation relates to certain aids and refunds laid down in Regulation 1308/2013 here-above.)

#### 4.2.1 Market measures horizontal aspects - internal market

- Commission Regulation (EC) No 826/2008 of 20 August 2008 laying down common rules for the granting of private storage aid for certain agricultural products

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:223:0003:0022:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:288:0012:0012:EN:PDF>

- Commission Regulation (EU) No 1272/2009 of 11 December 2009 laying down common detailed rules for the implementation of Council Regulation (EC) No 1234/2007 as regards buying-in and selling of agricultural products under public intervention

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:349:0001:0068:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:249:0006:0008:EN:PDF>

- Commission Regulation (EC) No 1130/2009 of 24 November 2009 laying down common detailed rules for verifying the use and/or destination of products from intervention

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:310:0005:0021:EN:PDF>

#### 4.2.2 Market measures horizontal aspects - trade with non-EU countries

- Commission Regulation (EC) No 376/2008 of 23 April 2008 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:114:0003:0056:EN:PDF>

- Commission Regulation (EEC) No 3846/87 of 17 December 1987 establishing an agricultural product nomenclature for export refund

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1987:366:0001:0062:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1988:074:0088:0088:EN:PDF>

- Commission Regulation (EC) No 1301/2006 of 31 August 2006 laying down common rules for the administration of import tariff quotas for agricultural products managed by a system of import licences

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:238:0013:0020:EN:PDF>

- Commission Regulation (EC) No 1276/2008 of 17 December 2008 on the monitoring by physical checks of exports of agricultural products receiving refunds or other amounts

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:339:0053:0075:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:151:0051:0051:EN:PDF>

- Commission Regulation (EC) No 612/2009 of 7 July 2009 on laying down common detailed rules for the application of the system of export refunds on agricultural products

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:186:0001:0058:EN:PDF>

#### 4.2.3 Market measures aid for supply of food

- Commission Regulation (EC) No 657/2008 of 10 July 2008 laying down detailed rules for applying Council Regulation (EC) No 1234/2007 as regards Community aid for supplying milk and certain milk products to pupils in educational establishments  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:183:0017:0026:EN:PDF>
- Commission Regulation (EC) No 288/2009 of 7 April 2009 laying down detailed rules for applying Council Regulation (EC) No 1234/2007 as regards Community aid for supplying fruit and vegetables, processed fruit and vegetables and banana products to children in educational establishments, in the framework of a School Fruit Scheme  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:094:0038:0047:EN:PDF>

#### 4.2.4 Market measures sectors

##### a) Beef and Veal

- Commission Regulation (EC) No 566/2008 of 18 June 2008 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 as regards the marketing of the meat of bovine animals aged 12 months or less  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:160:0022:0025:EN:PDF>
- Commission Regulation (EC) No 1249/2008 of 10 December 2008 laying down detailed rules on the implementation of the Community scales for the classification of beef, pig and sheep carcasses and the reporting of prices thereof  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:337:0003:0030:EN:PDF>

##### b) Dairy products

- Commission Regulation (EC) No 595/2004 of 30 March 2004 laying down detailed rules for applying Council Regulation (EC) No 1788/2003 establishing a levy in the milk and milk products sector  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:094:0022:0032:EN:PDF>
- Council Directive 2001/114/EC of 20 December 2001 relating to certain partly or wholly dehydrated preserved milk for human consumption  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:015:0019:0023:EN:PDF>

*Key documents of the Dairy package (2012):*

- Commission Implementing Regulation (EU) No 511/2012 of 15 June 2012 on notifications concerning producer and inter-branch organisations and contractual negotiations and relations provided for in Council Regulation (EC) No 1234/2007 in the milk and milk products sector  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:094:0038:0048:EN:PDF>
- Commission Delegated Regulation (EU) No 880/2012 of 28 June 2012 supplementing Council Regulation (EC) No 1234/2007 as regards transnational cooperation and contractual negotiations of producer organisations in the milk and milk products sector  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:263:0008:0009:EN:PDF>

*Reports on the future developments in the milk sector and phasing out of milk quotas:*

- Analysis on future developments in the milk sector (2013)  
[http://ec.europa.eu/agriculture/events/2013/milk-conference/ernst-and-young-report\\_en.pdf](http://ec.europa.eu/agriculture/events/2013/milk-conference/ernst-and-young-report_en.pdf)
- The second report on the phasing-out of milk quotas (2012)  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0741:FIN:EN:PDF>
- The first report on the phasing-out of milk quotas (2010)  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0727:FIN:EN:PDF>

#### c) Eggs, poultry and honey

- Council Directive 2001/110/EC of 20 December 2001 relating to honey  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:010:0047:0052:EN:PDF>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:052:0016:0016:EN:PDF>
- Commission Regulation (EC) No 917/2004 of 29 April 2004 on detailed rules to implement Council Regulation (EC) No 797/2004 on actions in the field of beekeeping  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:163:0083:0087:EN:PDF>
- Commission Regulation (EC) No 543/2008 of 16 June 2008 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 as regards the marketing standards for poultry meat  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:157:0046:0087:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:008:0033:0035:EN:PDF>

- Commission Regulation (EC) No 589/2008 of 23 June 2008 laying down detailed rules for implementing Council Regulation (EC) No 1234/2007 as regards marketing standards for eggs

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:163:0006:0023:EN:PDF>

- Commission Regulation (EC) No 617/2008 of 27 June 2008 laying down detailed rules for implementing Regulation (EC) No 1234/2007 as regards marketing standards for eggs for hatching and farmyard poultry chicks

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:168:0005:0016:EN:PDF>

#### d) Fruit and vegetables and bananas

- Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:168:0005:0016:EN:PDF>

- Commission Implementing Regulation (EU) No 1333/2011 of 19 December 2011 laying down marketing standards for bananas, rules on the verification of compliance with those marketing standards and requirements for notifications in the banana sector

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:336:0023:0034:EN:PDF>

- Council Directive 2001/113/EC of 20 December 2001 relating to fruit jams, jellies and marmalades and sweetened chestnut purée intended for human consumption

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:010:0067:0072:EN:PDF>

- Council Directive 2001/112/EC of 20 December 2001 relating to fruit juices and certain similar products intended for human consumption

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:010:0058:0066:EN:PDF>

#### e) Olive oil

- Commission Implementing Regulation (EU) No 29/2012 of 13 January 2012 on marketing standards for olive oil

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:012:0014:0021:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:080:0039:0039:EN:PDF>

- Commission Regulation (EC) No 867/2008 of 3 September 2008 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 as regards operators' organisations in the olive sector, their work programmes and the financing thereof  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:237:0005:0017:EN:PDF>

#### f) Sugar

- Commission Regulation (EC) No 952/2006 of 29 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards the management of the Community market in sugar and the quota system  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:178:0039:0059:EN:PDF>
- Commission Regulation (EC) No 967/2006 of 29 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards sugar production in excess of the quota  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:176:0022:0031:EN:PDF>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:052:0028:0028:EN:PDF>
- Council Directive 2001/111/EC of 20 December 2001 relating to certain sugars intended for human consumption  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:010:0053:0057:EN:PDF>

#### g) Spirit drinks

- Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:039:0016:0054:EN:PDF>

#### h) Wine

- Commission Regulation (EC) No 122/94 of 25 January 1994 laying down certain detailed rules for the application of Council Regulation (EEC) No 1601/91 on the

definition, description and presentation of aromatized wines, aromatized wine-based drinks, and aromatized wine-product cocktails

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1994:021:0007:0008:EN:PDF>

- Commission Regulation (EC) No 436/2009 of 26 May 2009 laying down detailed rules for the application of Council Regulation (EC) No 479/2008 as regards the vineyard register, compulsory declarations and the gathering of information to monitor the wine market, the documents accompanying consignments of wine products and the wine sector registers to be kept

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:128:0015:0053:EN:PDF>

- Commission Regulation (EC) No 606/2009 of 10 July 2009 laying down certain detailed rules for implementing Council Regulation (EC) No 479/2008 as regards the categories of grapevine products, oenological practices and the applicable restriction

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:128:0015:0053:EN:PDF>

- Commission regulation (EC) No 607/2009 of 14 July 2009 laying down certain detailed rules for the implementation of Council Regulation (EC) No 479/2008 as regards protected designations of origin and geographical indications, traditional terms, labelling and presentation of certain wine sector products

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:193:0060:0139:EN:PDF>

- Commission Regulation (EC) No 555/2008 of 27 June 2008 laying down detailed rules for implementing Council Regulation (EC) No 479/2008 on the common organisation of the market in wine as regards support programmes, trade with third countries, production potential and on controls in the wine sector

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:170:0001:0080:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:139:0003:0003:EN:PDF>

- Report of the High Level Group on Wine Planting Rights (2012)

[http://ec.europa.eu/agriculture/wine/high-level-group/docs/final-report\\_en.pdf](http://ec.europa.eu/agriculture/wine/high-level-group/docs/final-report_en.pdf)

#### i) Fibres

- Council Regulation (EC) No 637/2008 of 23 June 2008 amending Regulation (EC) No 1782/2003 and establishing national restructuring programmes for the cotton sector

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:178:0001:0006:EN:PDF>



- Commission Regulation (EC) No 1145/2008 of 18 November 2008 laying down detailed rules for implementing Council Regulation (EC) No 637/2008 as regards the national restructuring programmes for the cotton sector<sup>28</sup>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:308:0017:0024:EN:PDF>

#### j) Hops

- Commission Regulation (EC) No 1299/2007 of 6 November 2007 on the recognition of producer groups for hops  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:289:0004:0007:EN:PDF>
- Commission Regulation (EC) No 1295/2008 of 18 December 2008 on the importation of hops from third countries  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:340:0045:0056:EN:PDF>
- Commission Regulation (EU) No 738/2010 of 16 August 2010 laying down detailed rules on payments to German producer organisations in the hops sector  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:216:0011:0013:EN:PDF>

#### k) Tobacco

- Commission Regulation (EC) No 709/2008 of 24 July 2008 laying down detailed rules for implementing Council Regulation (EC) No 1234/2007, as regards inter-branch organisations and agreements in the tobacco sector  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:063:0003:0005:EN:PDF>

### 4.3 Rural development

#### 4.3.1 Legislation

- Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005

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<sup>28</sup> Regulation (EC) No 637/2008 on restructuring programmes for the cotton sector is repealed from 1<sup>st</sup> January 2014. However it continues to apply until 31 December 2017 for the restructuring programme in Spain. From 2014 (or 2018 in the case of Spain) similar measures will be funded under the rural development programmes.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0487:0548:EN:PDF>

- Council Decision (EC) No 144/2006 of 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013)  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:055:0020:0029:EN:PDF>
- Commission Regulation (EC) No 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)<sup>29</sup>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:368:0015:0073:EN:PDF>
- Commission Regulation (EU) No 65/2011 of 27 January 2011 laying down detailed rules for the implementation of Council Regulation (EC) No 1698/2005, as regards the implementation of control procedures as well as cross-compliance in respect of rural development support measures<sup>30</sup>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:368:0015:0073:EN:PDF>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:201:0020:0020:EN:PDF>

#### 4.3.2 Implementation of Rural Development Programmes

- European Network for Rural Development (ENRD) program Implementation  
[http://enrd.ec.europa.eu/policy-in-action/rural-development-policy-overview/programme-implementation/en/programme-implementation\\_en.cfm](http://enrd.ec.europa.eu/policy-in-action/rural-development-policy-overview/programme-implementation/en/programme-implementation_en.cfm)
- Common monitoring and evaluation framework Rural Development policy (2007-2013):  
[http://ec.europa.eu/agriculture/rurdev/eval/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/eval/index_en.htm)

#### 4.4. Outermost regions

##### 4.4.1 Legislation

- Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006

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<sup>29</sup> These implementing rules relate to the rural development programmes 2007-2013 adopted under Regulation 1698/2005. The implementing rules for the current period 2014-2020 are currently under preparation.

<sup>30</sup> Ibid.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:078:0023:0040:EN:PDF>

- Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:078:0041:0050:EN:PDF>
- Commission Regulation (EC) No 793/2006 of 12 April 2006 laying down certain detailed rules for applying Council Regulation (EC) 247/2006 laying down specific measures for agriculture in the outermost regions of the Union  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:145:0001:0055:EN:PDF>
- Commission Regulation (EC) No 1914/2006 of 20 December 2006 laying down detailed rules for applying Council Regulation (EC) No 1405/2006 laying down specific measures for agriculture in favour of the smaller Aegean islands  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:365:0064:0075:EN:PDF>

#### 4.4.2 Implementation

- Report from the Commission to the European Parliament and the Council First report on the impact of the POSEI reform of 2006  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52010DC0501:en:NOT>

#### 4.5 Information / Promotion

- Council Regulation (EC) No 814/2000 of 17 April 2000 on information measures relating to the common agricultural policy<sup>31</sup>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2000:100:0007:0009:EN:PDF>
- Council Regulation (EC) No 3/2008 of 17 December 2007 on information provision and promotion measures for agricultural products on the internal market and in third countries  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:003:0001:0009:EN:PDF>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:040:0058:0059:EN:PDF>

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<sup>31</sup> This regulation will be replaced, once the legislator will have adopted the proposal COM(2013)812 currently under negotiation <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0812:FIN:EN:PDF>.

- Commission Regulation (EC) No 2208/2002 of 12 December 2002 laying down detailed rules for applying Council Regulation (EC) No 814/2000 on information measures relating to the common agricultural policy  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:337:0021:0023:EN:PDF>
- Commission Regulation (EC) No 501/2008 of 5 June 2008 laying down detailed rules for the application of Council Regulation (EC) No 3/2008 on information provision and promotion measures for agricultural products on the internal market and in third countries  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:147:0003:0034:EN:PDF>

#### 4.6 Quality policy

- Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:147:0003:0034:EN:PDF>  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:055:0027:0027:EN:PDF>
- Commission Regulation (EC) No 1898/2006 of 14 December 2006 laying down detailed rules of implementation of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:369:0001:0019:EN:PDF>
- Commission Regulation (EC) No 1216/2007 of 18 October 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 509/2006 on agricultural products and foodstuffs as traditional specialities guaranteed  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:275:0003:0015:EN:PDF>
- Directive 2000/36/EC of the European Parliament and of the Council of 23 June 2000 relating to cocoa and chocolate products intended for human consumption  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2000:197:0019:0025:EN:PDF>
- Directive 1999/4/EC of the European Parliament and of the Council of 22 February 1999 relating to coffee extracts and chicory extracts  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1999:066:0026:0029:EN:PDF>

#### 4.7 Organic farming

- Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:189:0001:0023:EN:PDF>
- Commission Regulation (EC) No 889/2008 of 5 September 2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:250:0001:0084:EN:PDF>
- Commission Regulation (EC) No 1235/2008 of 8 December 2008 laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:334:0025:0052:EN:PDF>

#### 4.8 State aid

- Commission Regulation (EC) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No 70/2001  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:358:0003:0021:EN:PDF>
- Commission Regulation (EC) No 1535/2007 of 20 December 2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the sector of agricultural production  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:337:0035:0041:EN:PDF>
- Community guidelines for state aid in the agriculture and forestry sector 2007-2013  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:319:0001:0033:en:PDF>

#### 4.9 Genetic resources

Council Regulation (EC) No 870/2004 of 26 April 2004 establishing a Community programme on the conservation, characterisation, collection and utilisation of genetic resources in agriculture and repealing Regulation (EC) No 1467/94

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:162:0018:0028:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0022:0022:EN:PDF>

#### 4.10 Agricultural statistics

- Regulation (EU) No 1337/2011 of the European Parliament and of the Council of 13 December 2011 concerning European statistics on permanent crops and repealing Council Regulation (EEC) No 357/79 and Directive 2001/109/EC of the European Parliament and of the Council

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:347:0007:0020:EN:PDF>

- Regulation (EC) No 543/2009 of the European Parliament and of the Council of 18 June 2009 concerning crop statistics and repealing Council Regulations (EEC) No 837/90 and (EEC) No 959/93

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:167:0001:0011:EN:PDF>

- Regulation (EC) No 1166/2008 of the European Parliament and of the Council of 19 November 2008 on farm structure surveys and the survey on agricultural production methods and repealing Council Regulation (EEC) No 571/88

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:321:0014:0034:EN:PDF>

- Regulation (EC) No 1165/2008 of the European Parliament and of the Council of 19 November 2008 concerning livestock and meat statistics and repealing Council Directives 93/23/EEC, 93/24/EEC and 93/25/EEC.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:321:0001:0013:EN:PDF>

- Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community (Text with EEA relevance)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:033:0001:0087:EN:PDF>

#### 4.11 Accountancy

- Council Regulation (EC) No 1217/2009 of 30 November 2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Community

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:328:0027:0038:EN:PDF>

## 5. PLANT HEALTH AND PLANT REPRODUCTIVE MATERIAL

### 5.1 Plant health

- Overview of current rules on plant health  
[http://ec.europa.eu/food/plant/plant\\_health\\_biosafety/index\\_en.htm](http://ec.europa.eu/food/plant/plant_health_biosafety/index_en.htm)  
[http://ec.europa.eu/food/plant/plant\\_health\\_biosafety/legislation/index\\_en.htm](http://ec.europa.eu/food/plant/plant_health_biosafety/legislation/index_en.htm)
- List of current legislation - emergency measures  
[http://ec.europa.eu/food/plant/plant\\_health\\_biosafety/legislation/emergency\\_control\\_measures\\_en.htm](http://ec.europa.eu/food/plant/plant_health_biosafety/legislation/emergency_control_measures_en.htm)
- List of current legislation - Long term control measures  
[http://ec.europa.eu/food/plant/plant\\_health\\_biosafety/legislation/emergency\\_measures\\_import\\_en.htm](http://ec.europa.eu/food/plant/plant_health_biosafety/legislation/emergency_measures_import_en.htm)
- Review of the plant health regime  
[http://ec.europa.eu/food/plant/plant\\_health\\_biosafety/rules/index\\_en.htm](http://ec.europa.eu/food/plant/plant_health_biosafety/rules/index_en.htm)
- Link to new proposal Regulation on plant health adopted by the Commission on 6 May 2013  
[http://ec.europa.eu/dgs/health\\_consumer/pressroom/docs/proposal-regulation-pests-plants\\_en.pdf](http://ec.europa.eu/dgs/health_consumer/pressroom/docs/proposal-regulation-pests-plants_en.pdf)
- The new Regulation of plant health is part of the "Animal and Plant Health Package: Smarter rules for safer food (see sub-section on plant health)  
[http://ec.europa.eu/dgs/health\\_consumer/pressroom/animal-plant-health\\_en.htm](http://ec.europa.eu/dgs/health_consumer/pressroom/animal-plant-health_en.htm)

### 5.2 Plant reproductive material

- Overview of current rules on marketing plant reproductive material (former seed and propagating material)  
[http://ec.europa.eu/food/plant/plant\\_propagation\\_material/index\\_en.htm](http://ec.europa.eu/food/plant/plant_propagation_material/index_en.htm)
- List of current legislation (see tab on left side for the different areas: beet seed, oil & fibre plants seeds, cereal seed, fodder plant seed, seed potatoes, fruit propagating material & fruit plants, vegetables, vine propagation material, ornamental seeds & plants, forest reproductive material)  
[http://ec.europa.eu/food/plant/plant\\_propagation\\_material/eu\\_legislation/index\\_en.htm](http://ec.europa.eu/food/plant/plant_propagation_material/eu_legislation/index_en.htm)
- Review of the plant reproductive material regime:  
[http://ec.europa.eu/food/plant/plant\\_propagation\\_material/review\\_eu\\_rules/index\\_en.htm](http://ec.europa.eu/food/plant/plant_propagation_material/review_eu_rules/index_en.htm)
- Link to new proposal Regulation on plant reproductive material adopted by the Commission on 6 May 2013  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0262:FIN:EN:PDF>

- The new Regulation of plant reproductive material is part of the "Animal and Plant Health Package: Smarter rules for safer food (see sub-section on plant health)  
[http://ec.europa.eu/dgs/health\\_consumer/pressroom/animal-plant-health\\_en.htm](http://ec.europa.eu/dgs/health_consumer/pressroom/animal-plant-health_en.htm)

## 6. FINANCIAL INSTRUMENTS

- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0549:0607:EN:PDF>
- Commission Implementing Regulation (EU) No 282/2012 of 28 March 2012 laying down common detailed rules for the application of the system of securities for agricultural products  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:092:0004:0014:EN:PDF>
- Commission Regulation (EC) No 883/2006 of 21 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 1290/2005 as regards the keeping of accounts by the paying agencies, declarations of expenditure and revenue and the conditions for reimbursing expenditure under the EAGF and the EAFRD  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:171:0001:0034:EN:PDF>
- Commission Regulation (EC) No 884/2006 of 21 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 1290/2005 as regards the financing by the European Agricultural Guarantee Fund (EAGF) of intervention measures in the form of public storage operations and the accounting of public storage operations by the paying agencies of the Member States  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:171:0035:0089:EN:PDF>
- Commission Regulation (EC) No 885/2006 of 21 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 1290/2005 as regards the accreditation of paying agencies and other bodies and the clearance of the accounts of the EAGF and of the EAFRD  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:171:0090:0110:EN:PDF>
- Commission Regulation (EC) No 1848/2006 of 14 December 2006 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organisation of an information system in this field and repealing Council Regulation (EEC) No 595/91  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:355:0056:0062:EN:PDF>



- Commission Regulation (EC) No 259/2008 of 18 March 2008 laying down detailed rules for the application of Council Regulation (EC) No 1290/2005 as regards the publication of information on the beneficiaries of funds deriving from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD)  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:076:0028:0030:EN:PDF>

## 7. EVALUATIONS

### 7.1 Evaluation reports: Market and income policies

- Evaluation of the structural effects of direct support  
[http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/structural-effects-direct-support-2013\\_en.htm](http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/structural-effects-direct-support-2013_en.htm)
- Evaluation of CAP measures for the apiculture sector  
[http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/apiculture-2013\\_en.htm](http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/apiculture-2013_en.htm)
- Evaluation of measures applied under the Common Agricultural Policy to the cereals sector  
[http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/cereals-2012\\_en.htm](http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/cereals-2012_en.htm)
- Evaluation of Common Agricultural Policy measures applied to the wine sector  
[http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/2012/wine-sector/exec\\_sum\\_en.pdf](http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/2012/wine-sector/exec_sum_en.pdf) (*Executive summary in EN*)
- Evaluation of the EU Forest Action Plan  
[http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/forest-action-plan-2012\\_en.htm](http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/forest-action-plan-2012_en.htm)
- Evaluation of the School Fruit Scheme  
[http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/school-fruit-scheme-2012\\_en.htm](http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/school-fruit-scheme-2012_en.htm)
- Evaluation of CAP measures applied to the dairy sector  
[http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/dairy-sector-2011\\_en.htm](http://ec.europa.eu/agriculture/evaluation/market-and-income-reports/dairy-sector-2011_en.htm)
- Evaluation of the exceptional market support measures in the poultry and egg sector  
[http://ec.europa.eu/agriculture/eval/reports/poultry-eggs/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/poultry-eggs/index_en.htm)
- Evaluation of CAP measures applied to the sugar sector  
[http://ec.europa.eu/agriculture/eval/reports/sugar-2011/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/sugar-2011/index_en.htm)
- Evaluation of promotion and information actions for agricultural products  
[http://ec.europa.eu/agriculture/eval/reports/promotion/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/promotion/index_en.htm)

- Evaluation of CAP measures for the sheep and goat sector  
[http://ec.europa.eu/agriculture/eval/reports/sheep-goat/executive\\_summary\\_en.pdf](http://ec.europa.eu/agriculture/eval/reports/sheep-goat/executive_summary_en.pdf) (*Executive summary in EN*)
- Evaluation of income effects of direct support  
[http://ec.europa.eu/agriculture/eval/reports/income/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/income/index_en.htm)
- Evaluation of Common Agricultural Policy measures applied to the starch sector  
[http://ec.europa.eu/agriculture/eval/reports/starch/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/starch/index_en.htm)
- Evaluation of the environmental impact of the CAP (Common Agricultural Policy) measures related to the pig, poultry, and eggs sectors  
[http://ec.europa.eu/agriculture/eval/reports/pig-poultry-eggs/exec\\_sum\\_en.pdf](http://ec.europa.eu/agriculture/eval/reports/pig-poultry-eggs/exec_sum_en.pdf)  
(*Executive summary in EN*)
- Evaluation of direct aids in the beef and veal sector  
[http://ec.europa.eu/agriculture/eval/reports/directaidbeef/exec\\_sum\\_en.pdf](http://ec.europa.eu/agriculture/eval/reports/directaidbeef/exec_sum_en.pdf)  
(*Executive summary in EN*)
- Evaluation of market effects of partial decoupling  
[http://ec.europa.eu/agriculture/eval/reports/decoupling/exec\\_sum\\_en.pdf](http://ec.europa.eu/agriculture/eval/reports/decoupling/exec_sum_en.pdf)  
(*Executive summary in EN*)
- Evaluation of the Implementation of the Farm Advisory System  
[http://ec.europa.eu/agriculture/eval/reports/fas/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/fas/index_en.htm)
- Evaluation of measures relating to the durum wheat sector within the context of the Common Agricultural Policy  
[http://ec.europa.eu/agriculture/eval/reports/wheat/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/wheat/index_en.htm)
- Evaluation of the Common Agricultural Policy measures related to hops  
[http://ec.europa.eu/agriculture/eval/reports/hops/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/hops/index_en.htm)
- Evaluation of measures applied under the Common Agricultural Policy to the rice sector  
[http://ec.europa.eu/agriculture/eval/reports/rice/exec\\_sum\\_en.pdf](http://ec.europa.eu/agriculture/eval/reports/rice/exec_sum_en.pdf)  
(*Executive summary in EN*)
- Evaluation of measures applied under CAP to the olive sector  
[http://ec.europa.eu/agriculture/eval/reports/oilseeds/exec\\_sum\\_en.pdf](http://ec.europa.eu/agriculture/eval/reports/oilseeds/exec_sum_en.pdf)  
(*Executive summary in EN*)
- Evaluation of measures applied under the Common Agricultural Policy to the protein crop sector  
[http://ec.europa.eu/agriculture/eval/reports/protein\\_crops/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/protein_crops/index_en.htm)
- Mid-term evaluation of the implementation of the EU Forest Action Plan  
[http://ec.europa.eu/agriculture/eval/reports/euforest/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/euforest/index_en.htm)
- Evaluation of measures applied under the common agricultural policy to the raw tobacco sector  
[http://ec.europa.eu/agriculture/eval/reports/captabac/ex\\_sum\\_en.pdf](http://ec.europa.eu/agriculture/eval/reports/captabac/ex_sum_en.pdf)

*(Executive summary in EN)*

## 7.2 Evaluation reports: Rural Development

- Synthesis of Mid-Term Evaluations of Rural Development Programmes 2007-2013  
[http://ec.europa.eu/agriculture/evaluation/rural-development-reports/synthesis-mte-2007-2013\\_en.htm](http://ec.europa.eu/agriculture/evaluation/rural-development-reports/synthesis-mte-2007-2013_en.htm)
- Ex-post evaluation of Rural Development Programmes 2000-2006  
[http://ec.europa.eu/agriculture/evaluation/rural-development-reports/ex-post-evaluation-rdp-2000-2006\\_en.htm](http://ec.europa.eu/agriculture/evaluation/rural-development-reports/ex-post-evaluation-rdp-2000-2006_en.htm)
- Synthesis of SAPARD ex-post evaluations  
[http://ec.europa.eu/agriculture/eval/reports/sapard2010/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/sapard2010/index_en.htm)
- Ex-post evaluation of LEADER+  
[http://ec.europa.eu/agriculture/eval/reports/leaderplus-expost/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/leaderplus-expost/index_en.htm)
- Synthesis of ex ante evaluations of Rural Development Programmes 2007-2013  
[http://ec.europa.eu/agriculture/eval/reports/rurdev/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/rurdev/index_en.htm)
- Evaluation on the impact of Nordic aid schemes in northern Finland and Sweden  
[http://ec.europa.eu/agriculture/eval/reports/nordic/index\\_en.htm](http://ec.europa.eu/agriculture/eval/reports/nordic/index_en.htm)

## 8. OTHER KEY REPORTS

- Prospects for agricultural markets and income in the EU 2012-2022 (2012)  
[http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook/2012/fullrep\\_en.pdf](http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook/2012/fullrep_en.pdf)
- Rural Development in the European Union - Statistical and economic information - (2012)  
[http://ec.europa.eu/agriculture/statistics/rural-development/2012/full-text\\_en.pdf](http://ec.europa.eu/agriculture/statistics/rural-development/2012/full-text_en.pdf)
- EU agriculture - Statistical and economic information – Report 2012  
[http://ec.europa.eu/agriculture/statistics/agricultural/2012/pdf/full-report\\_en.pdf](http://ec.europa.eu/agriculture/statistics/agricultural/2012/pdf/full-report_en.pdf)
- EU Farm Economics overview FADN 2009 (2013)  
[http://ec.europa.eu/agriculture/rica/pdf/EU\\_farm\\_economics\\_2012.pdf](http://ec.europa.eu/agriculture/rica/pdf/EU_farm_economics_2012.pdf)

## European Forest Institute

\*Note: "European Forest Governance: Issues at Stake and the Way Forward" Report by the European Forest Institute.

[http://www.efi.int/portal/virtual\\_library/publications/what\\_science\\_can\\_tell\\_us/2/](http://www.efi.int/portal/virtual_library/publications/what_science_can_tell_us/2/)

## European Movement

This submission is from the European Movement, a not-for-profit, independent, all party and grass roots organisation. We call for closer integration and co-operation at the EU level in areas where collective EU action can deliver better results than individual member states can when acting on their own. We also want more powers to be given to the democratically elected institutions of the EU and more popular involvement in its intergovernmental decision-making structures. A strong EU must have its people at the centre of where decisions are made.

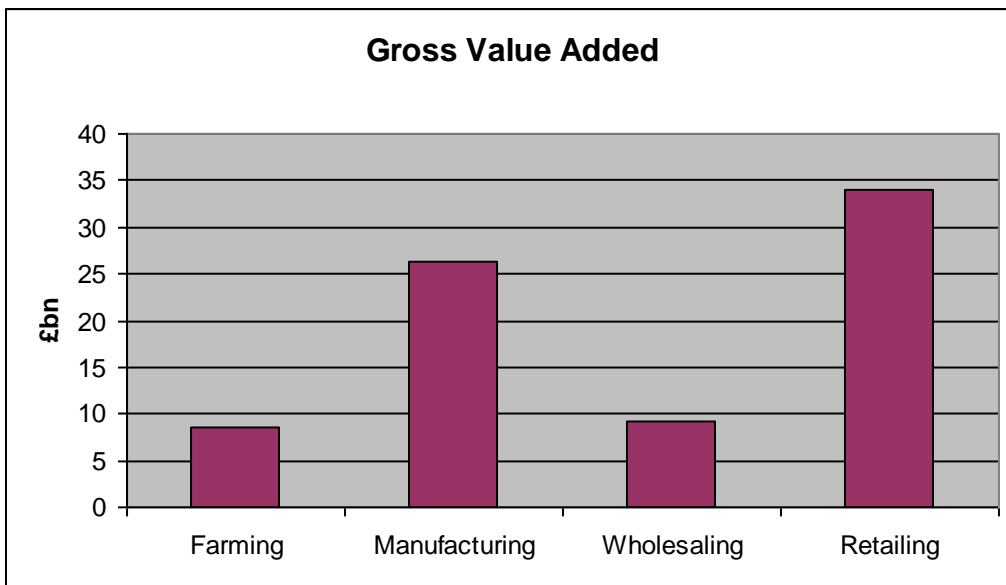
### Q1. Should the EU have competence for agriculture and plant health?

The objectives of the Common agricultural Policy have historically been framed largely in terms of the interests of the farming sector and rural communities. No less important are the interests of other parts of the food and drink value chain, including manufacturing and retailing, and indeed the interests of the consumer. The question of EU competence for agriculture needs to be considered in this light.

Some two-thirds of UK farming output is sold to the food and drink manufacturing industry (data from the FDF) and farming is only a minor part of the overall employment and value added.

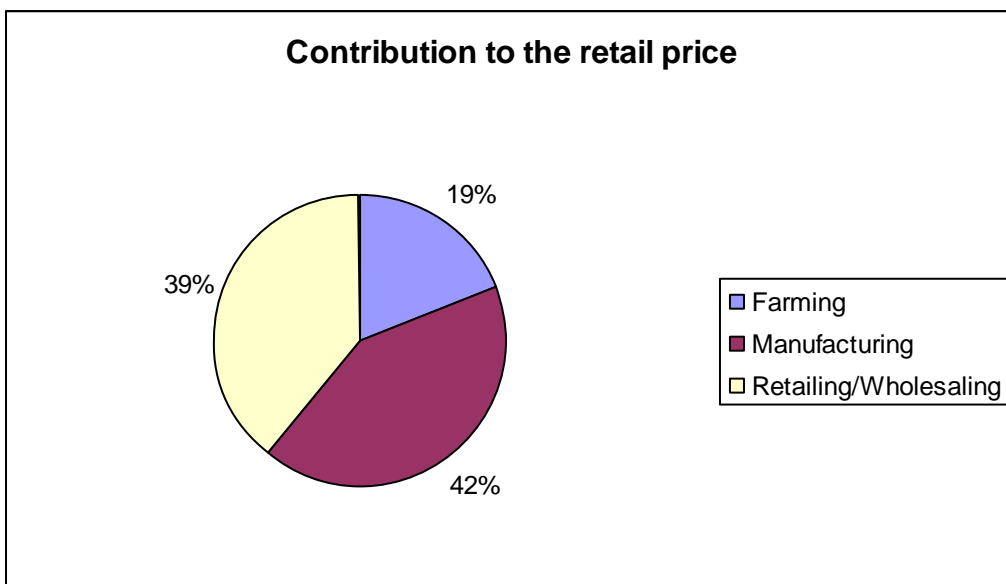


(Data from Agriculture in the UK 2012, plus a proportionate share from retailing, data from the BRC.)



(Data from Agriculture in the UK 2012, plus a proportionate share from retailing, data from the BRC.)

As far as the consumer is concerned, only around 20 per cent of the price of the shelf arises on the farm: the bulk comes from manufacturing and retailing.



(Data from Agriculture in the UK 2012 and FDF, plus a proportionate share from retailing/wholesaling, data from BRC.)

Policy relating to agriculture must therefore be connected with policy relating to food and drink manufacturing and retailing, which in turn are integral parts of the EU single market. For the health of the single market, it is therefore essential that the EU retains a competence in agriculture.

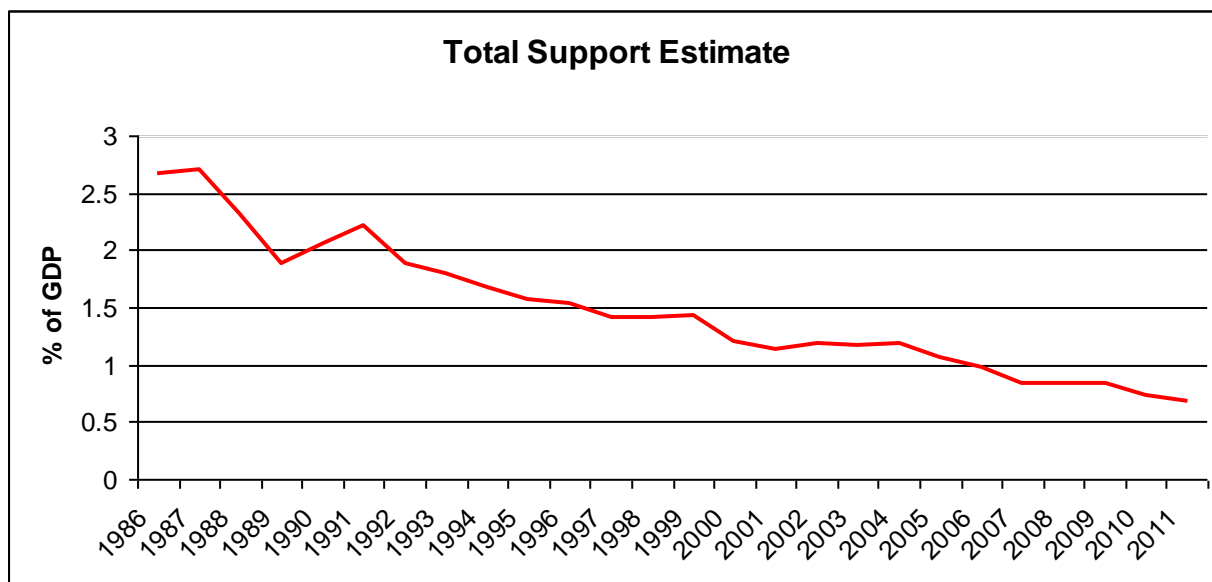
To take the food and drink industry outside the EU single market would create tariff barriers (averaging 13.2 per cent) and the possibility of non-tariff barriers, such as differential (and undoubtedly discriminatory) product standards. We know of no food and drink manufacturer or retailer that would welcome introducing the risk of these new barriers into its highly integrated supply chains.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

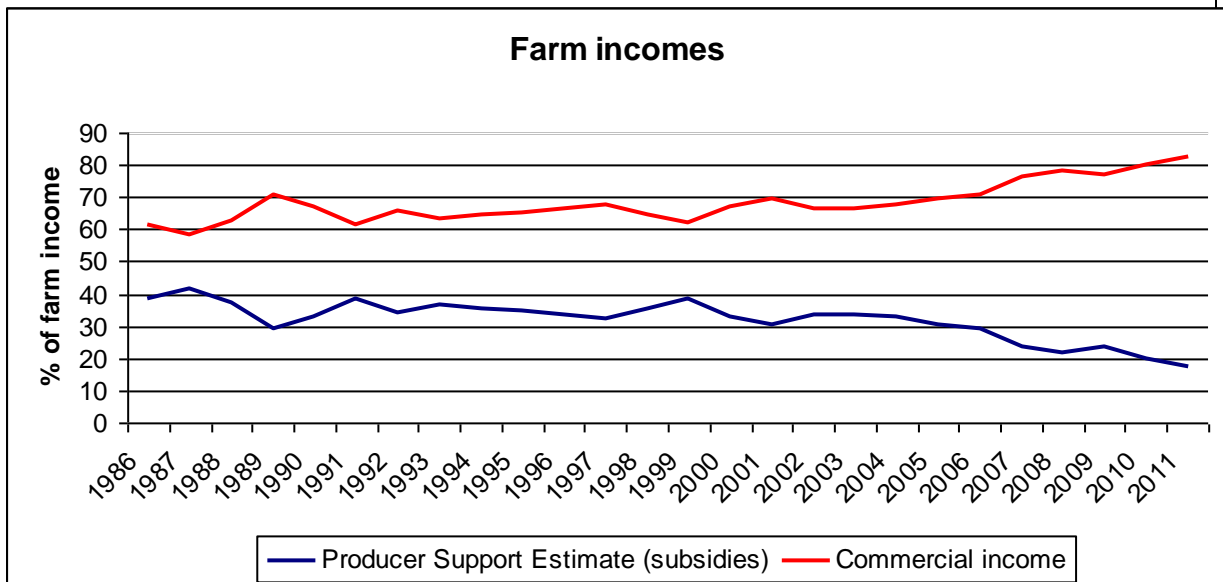
**ii) disadvantages the UK national interest?**

The EU approach to agriculture has changed substantially over recent years and any commentary needs to start with this fact. The chart below shows how the share of GDP devoted to agricultural support has declined by three quarters since 1986:



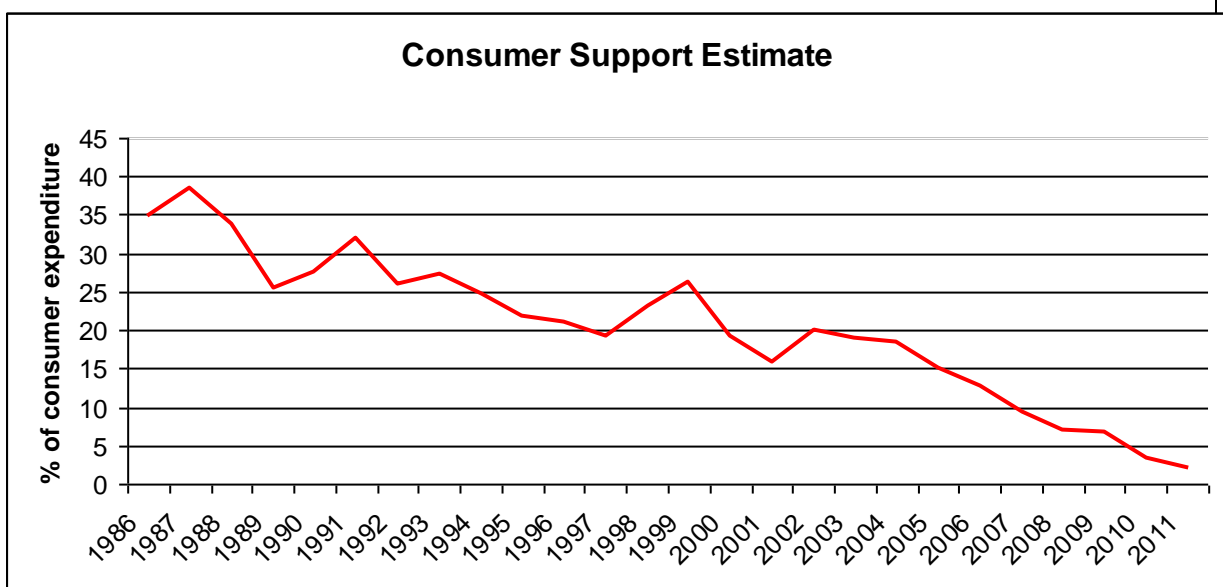
(Data from OECD)

The reduction in the cost of the CAP has been reflected in a halving of the size of agricultural subsidies since 1986 and a corresponding increase in the importance of commercial factors in the economics of farming.



(Data from OECD)

The impact of the CAP on consumers, as measured by an implicit tax on food prices, has also declined, from more than 35 per cent in 1986 down to only 2 per cent in 2011.



(Data from OECD)

If the UK's aims are an agricultural policy that costs less to taxpayers and consumers and promotes a greater market orientation in the farming sector itself, then these aims are being met by the EU policy.

The remaining cost of agricultural policy – 0.68 per cent of GDP, or 18 per cent of farming incomes, or 2 per cent of consumer prices – pays for, in effect, environmental policies covering 70 per cent of the landscape and social policies for rural communities. These are also UK policy aims.

The claim that the CAP is disadvantageous to Britain needs to acknowledge two fundamental points: (1) that the changes demonstrated above have reduced considerably, if not completely, the extent to which agriculture is a net minus for the UK in the EU (any country's membership will be made up of pluses and minuses); and (2) the very fact of this change explodes completely the allegation that the EU is unreformable and that any disadvantages incurred by British membership cannot be remedied short of British exit from the EU altogether.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

If there is a role for the EU in agricultural policy, what should that role be? As noted above, two-thirds of UK agricultural production is sold to the food and drink industry. Furthermore, UK exports of food and drink to the rest of the EU make up 12 per cent of total food and drink output. (data FDF) Eight of the top ten export markets are in the EU.

Farming subsidies, while they have declined, have not been abolished completely and there is no likelihood in the EU that they will be. However, if continuing subsidies to agriculture are understood as social and environmental policies, then the competence for distributing these more naturally lies at national level. The future of the CAP should therefore lie in limiting subsidies to ensure that free trade within the single market is not disrupted.

Britain's ability to champion such a policy of course depends on Britain being trusted as a collaborative partner on improving the EU in the future rather than seen as an obstruction to be worked around.



Q4. – Q6. Not Answered

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

**ii) disadvantages the UK national interest?**

Prior to the Lisbon treaty, the role of the European Parliament was simply to be consulted: there was no formal role for the EP in deciding the EU policy on agriculture, including control over expenditure. It has been remarked earlier that agricultural policy is a central interest in the context of the single market in food and drink and it is surely correct that the Lisbon treaty has extended to the EP the same powers over agriculture as it has over other parts of the single market. Agricultural spending represents 58 billion Euros annually, or 43 per cent of the EU budget: it is plainly absurd if such a large expenditure item is outside parliamentary control.

This is an important advance of the UK national interest in two respects.

First, the UK national interest that lies in **political decisions taken by elected parliaments** is now met by giving MEPs co-decision over agricultural policy. There is perhaps a legacy of a lack of interest among many MEPs in agricultural policy precisely because it was formerly a matter of consultation only, but that can now change. The European elections to be held in May 2014 can be an important occasion for the choices about agricultural policy to be presented directly to the voters.

Secondly, the UK national interest that lies in **open and transparent decision-making** will be enhanced by the role of the European Parliament. Decision-making in the Council on agriculture is notoriously opaque: an analysis of the reform of the EU sugar regime in 2005, for example, revealed that meetings of civil servants committed the EU to expenditure of more than 1.2 billion Euros over 4 years (greater than the totality of the EU's expenditure on its environmental programmes) without public or political accountability. ("Openness and secrecy in the EU institutions: lessons from the EU sugar regime", Federal Trust Policy Brief 28, June 2006) While outside the scope of this consultation on the Balance of Competences, greater transparency in decision-making in the Council would also be most welcome.

Q8. – Q15. Not Answered

## Eveleigh, James

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should not have competence for Plant Reproductive Material i.e. seeds intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation. I wish to grow produce for my own consumption and interest and this legislation would impinge on me greatly.

**Q2. – Q15.** Not Answered

## Ewan, Lynsey

### **Q1. Should the EU have competence for agriculture and plant health?**

I believe that it should be the responsibility of the individual EU countries to make such decisions, based on the needs of those individual countries, and taking into consideration and respecting the needs of their neighbouring countries.

**Q2. - Q5.** Not answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I believe that such decisions would be better made at a regional level, as biodiversity and plant health can be very specific and localised, and as such, require very specific and localised action.

**Q7. – Q15.** Not Answered

## Farmers' Union of Wales

### **Background to the Farmers' Union of Wales**

The Farmers' Union of Wales was established in 1955 to protect and advance the interests of Welsh families who derive an income from agriculture. In addition to its Head Office, which has twenty-six full-time members of staff, the Union has thirty-five area officers and fifteen offices distributed around Wales which provide a broad range of services for members. The FUW is a democratic organisation, with policies being formulated following consultation with its twelve County Executive Committees and eleven Standing Committees.

### **Q1. Should the EU have competence for agriculture and plant health?**

It is generally appropriate that the EU has overall competence for both agriculture and plant health since both areas require equality of regulation across all Member States, in order to ensure equality of implementation within a Common Market.

With reference to agriculture, the implementation of the CAP (for example) across Europe in a fair and equitable fashion (i.e. adhering to the principles of commonality that is enshrined in the principles of the CAP) is essential, in order to ensure equal access to markets and equivalence in terms of the rules to which farmers must adhere across the European Union. Notwithstanding this, the FUW does have major concerns regarding a number of EU Regulations which impact disproportionately on Wales and the UK, although a number of these concerns relate to rules where UK authorities have opted not to implement appropriate derogations, and Regulations which have been agreed by the UK Government without a full understanding of the repercussions of such agreement.

In terms of the new CAP, the FUW has significant concerns regarding the trade-off between the redistribution of funds between Member States, and the repatriation/flexibility allowed under the new Regulations, as the latter has moved the EU away from the commonality necessary under a truly common policy. The recent decisions regarding the range of Pillar 1 to Pillar 2 fund transfer rates within the UK administrations provides a good example of this inequity, before one even considers such inequalities across Europe.

With reference to plant health, the FUW believes the movement of seed and plant materials across borders within the EU, and materials coming into the EU, need to be managed at both an EU and a national level. Disease does not acknowledge borders, therefore an overarching (i.e. EU) approach is appropriate, in order to ensure that plant health is secured, and any disease spread is minimised.

The above comments notwithstanding, it is essential to appreciate that Member States should still have some level of responsible autonomy over how both agriculture and plant health policy should be drawn up and implemented within their own country. The EU should also recognise the rights of countries to protect their national interests where they are in a position to do so due to geographic boundaries; for example, rules relating to the free movement of produce within a common market should not prevent an island Member State from protecting itself from the introduction of a disease if it is in a position to do so.

### **Q2. What evidence is there that the EU approach to agriculture benefits the UK national interest?**

Notwithstanding concerns over whether the current CAP is meeting its original objectives, at the very highest level, the benefits of a pan-EU common agricultural policy must be seen in the context of food security.

In July 2008, a discussion paper issued by DEFRA concluded that *'the current global food security situation is a cause for deep concern'*, listing high energy prices, poor harvests, rising demand, biofuels and export bans in some countries as main factors<sup>32</sup>.

It is estimated that World populations will rise to between nine and ten billion by 2050, while global agricultural productivity per hectare is expected to fall by between 3 and 16 percent by 2080<sup>33</sup>.

The CAP, by design, provides a framework which allows Europe to react to the imminent challenges that growing populations, global warming, rising sea levels, and peak oil production represent in terms of food security.

Around two out of every five Welsh rural businesses have been classed as being involved in the farming industry<sup>34</sup>. In 2008, Welsh agriculture employed 57,600 people in full time, part time, and seasonal employment<sup>2</sup>. This figure does not include the secondary businesses related to agriculture such as contractors, feed merchants, and food processors.

The proportion of the working age population in rural Wales who are working and who are self-employed is estimated to be 7% higher than in Wales as a whole, which reflects the fact that rural businesses have a high dependency on the agricultural sector<sup>4</sup>.

It has been estimated that agriculture supports over 10% of full time employees in Wales<sup>35</sup>, and the numbers directly and indirectly employed in farming therefore make a crucial contribution towards sustaining rural businesses and communities.

While the FUW recognises the significant costs of the CAP for both the UK and the EU as a whole, it is clear from documents issued by successive UK Governments that little thought has been given to mitigating the impacts of abandoning or significantly watering down the CAP.

For example, the 2005 HM Treasury and DEFRA document *"A Vision for the Common Agricultural Policy"*, which effectively reflects current UK Government policy, set out what continues to be a general vision for future EU agricultural policy reform. The key policy reforms proposed included:

- i. The alignment of import tariffs for all agricultural sectors with other sectors of the economy
- ii. The abolition of production subsidies
- iii. The abolition of price and direct income support measures
- iv. The abolition of export subsidies

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<sup>32</sup> Ensuring the UK's Food Security in a Changing World, DEFRA (2008)

<sup>33</sup> Cline (2007)

<sup>34</sup> A Statistical Focus on Rural Wales, Welsh Assembly Government (2001)

<sup>35</sup> The Economic Potential of Plants and Animals Not Currently Fully Exploited by the Welsh Agricultural Sector, Central Science Laboratories (2003)

v. A movement of funding from Pillar 1 to Pillar 2

The Food and Agricultural Policy Research Institute (FAPRI) was commissioned by the UK administrations to analyse the impact of these key policy reform proposals on agriculture in the UK. The results, published in July 2009, suggest that the policies, as proposed, would have a devastating impact on agriculture and rural communities.

The impact in Wales for individual sectors was summarised as follows:

Dairy Sector:

- i. The phased increase and eventual abolition of milk quotas under the Health Check reforms has a depressing impact on the projected producer milk price and production in Wales
- ii. Cheese and, to a greater extent, butter prices decline further in response to Doha WTO reforms. The decline in the prices of these commodities exerts a further downward impact on the Welsh producer milk price
- iii. Further trade liberalisation has a small negative impact on dairy commodity prices since butter, SMP and WMP EU prices track their world prices

Beef Sector:

- i. The extensive over quota tariff cuts results in a significant increase in projected non-EU beef imports
- ii. EU beef prices, including those in Wales, decline markedly in response to this large increase in imports
- iii. By the end of the projection period, the Welsh price of finished beef animals is 26% lower
- iv. The phased elimination of the SFP has a significant negative impact on suckler cow numbers and beef production in Wales

Sheep Sector:

- i. The full reduction in over-quota import tariffs under the WTO reform scenario leads to higher non-EU imports and, consequently, lower sheep meat prices.
- ii. Projected Welsh ewe numbers and sheep meat production fall in response to the decline in price.
- iii. Trade liberalisation leads to a further substantial increase in non-EU sheep meat imports. The increase in non-EU imports has a depressing impact on sheep meat prices. The projected average Welsh price of finished sheep and lambs is 12 per cent lower in 2018.

- iv. The decline in price reduces sheep meat economic returns and depresses ewe numbers and production in Wales.
- v. Phasing out the SFP on top of further trade liberalisation has a significant negative impact on Welsh sheep meat production.

The FAPRI report concludes that:

“Reductions in cattle and sheep numbers may have a positive or adverse impact on biodiversity depending on existing grazing levels. Moreover, it is likely that the impact would be spatially uneven, with more marginal producers in upland areas experiencing greater contractions in output. As a result, under-grazing is likely to be more problematic in the uplands.”

“Reductions in livestock numbers will not only hasten the decline in agricultural employment but also employment within the wider rural economy. Agricultural employment supports both upstream (e.g. feed companies and machinery suppliers) and downstream employment (e.g. abattoirs and food suppliers) (Institute for European Environmental Policy et al., 2004).

“Furthermore, farmers play an active social role within local communities through participating on school boards, running local activities etc. Reducing the viability of farming may undermine the positive contribution played by farmers within local communities.

“Any decline in numbers engaged in agriculture may also have a direct impact on migration out of the more remote areas, hence undermining the viability of the rural population in these areas.”

The proposed ‘Vision’ reforms also have important implications on price volatility. Export subsidies and import tariffs have protected the EU market from the consequences of world price volatility. Following extensive trade liberalisation, it is projected that EU commodity prices are more closely linked to world prices. As a result, EU producers and processors will tend to face more uncertainty due to increased volatility as a result of external shocks, such as those due to poor weather conditions. Increased uncertainty has a negative impact on efficient production in the agricultural sectors through discouraging investment and threatening the long-term survival of producers.”

“...should the ‘Vision’ proposal be implemented the consequences for the Welsh beef and sheep sectors, in particular, would be dramatic.”

As such, the FUW believes that that UK and EU food security, and with Wales’s environment, economy, and culture, are significantly reliant on the UK’s membership of a common market, and the Common Agricultural Policy which underpins that market.

Specifically, the FUW believes that abandoning or watering down the CAP in a manner similar to that formally proposed by the successive UK Government would:

- i. Have a catastrophic impact on UK and EU food security
- ii. Undermine the UK's food industry, leading to increased unemployment
- iii. Result in significant price volatility for manufacturers and the general public
- iv. Lead to land abandonment and an exodus of people from rural communities
- v. Have a significant adverse impact on the UK's flora and fauna
- vi. Drastically reduce numbers of owner-occupier and tenant farmers
- vii. Result in a move towards 'factory farming'
- viii. Lead to significantly more food being produced in countries which have lower animal welfare standards
- ix. Accelerate deforestation in some of the world's most endangered habitats, due to UK food production being displaced by increased production in third countries
- x. Undermine the accountability of the agriculture industry in terms of minimising its carbon footprint and other important environmental impacts

The majority of these assertions are directly supported, or can be justifiably extrapolated from the conclusions published in Government commissioned research.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The UK certainly benefits from being a part of the EU in terms of agricultural trade and the opportunity to supply products to all Member States. This market opportunity is in stark contrast to the restrictions that exist when considering trade with, for example, the United States.

Further uniform labelling initiatives such as the Protected Geographical Indicator scheme would be welcome in order to develop existing and new markets for UK produce, both within and outside the EU.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The two should not be mutually exclusive; it is essential that the effective operation of a single market ensures, via its own checks and balances, that the EU and Member States are able to control plant product biosecurity. As an island nation, with the associated benefits of coastal borders that can be policed more easily than overland borders (unlike the majority of mainland EU), this combination of market access with effective biosecurity measures is essential.

It is also notable that, given successive UK Governments references (direct or insinuated) to increasing food importation, exit from the single market could significantly increase biosecurity risks.

**Q5. What evidence is there that current competence over forestry policy benefits the UK national interest/disadvantages the UK national interest?**

The FUW acknowledges and respects the position of certain other Member States that it is important for the EU not to have competence over this sector, in order to be able to fully access appropriate markets for their substantive commercial forestry products. However, the scenario in the UK is somewhat different; the lack of EU guidance on forestry regulation results in the level of support for farm based forestry that is patchy, short term and disjointed, when considering woodland management across UK as a whole. However, the FUW would not necessarily advocate a greater level of EU influence to resolve this. The increased prioritisation of woodland and forestry at a Wales and UK level, using the mechanisms already available should be sufficient.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The levels of governance associated with agriculture are, in the main, appropriate for the UK national interest. FUW's concern is that, with limited time and resources available at a national and devolved level within the UK, the level of robust interrogation and implementation of Regulations, having the needs of the industry as a guiding principle, can be inconsistent and variable. This issue is explored further in our response to question 12, and relates to Member State interpretation and interaction with the existing governance structures, rather than recommending a change in their levels.

As outlined in the consultation document, the proposed new EU plant health controls Regulation is a much closer fit to the aspirations of the UK regarding national and international plant health management. The effective implementation of these Regulations across the EU at both a Member State and EU level will be critical in minimising plant pest and disease spread across the Union, at a time when securing future food supplies is an emerging issue for Europe.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

The negotiation associated with this new round of CAP support has been the first opportunity for co-decision making by both Parliament and Council to be truly tested.



On balance, the influence of the Parliament on decisions made is considered to be positive, allowing MEPs to explore the full implications of policy within their own MS situation, and then use that to participate in the decision making process. In turn, it is essential that interest groups are given sufficient levels of information with which to engage, and that the consultation mechanisms are genuine within Member States. MEPs can then be armed with relevant details for use during negotiations with the Council.

The roles and responsibilities of Council/Parliament and the Commission still need significant clarification, with a reinforcement of remits. In particular, the FUW is concerned that the Commission is seen to issue statements, and dictate policies and positions on agricultural issues. It is believed the Commission should be limited to guiding and then acting on the instructions of the Parliament and Council. The Commission is, in effect, the civil service of Europe, and should act as such, serving the Parliament and Council.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Wales has benefitted substantially from the EU opportunities afforded to the beef and sheep industry. The Protected Geographical Indicator status of Welsh Beef and Welsh Lamb has enabled Wales to access EU funding to promote these products both within and outside the EU, and to utilise the PGI certifications more generally as a quality mark to help increase exports.

More generically, it is clear that the size of the EU single market increases the bargaining power held by those negotiating on behalf of the EU, while ensuring that agreements are not reached based upon short term gains and/or the aspirations of single industries.

**Q9. Considering the single Common Market Organisation. i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs? ii) How could they be improved?**

The principles of market commonality are to be welcomed and should continue; having a uniform playing field across the EU is essential for the industry, particularly from the perspective of the Welsh agricultural industry.

Notwithstanding this, it is also critical to acknowledge the problems caused by overly proscriptive rules which result in the micro-management of EU schemes. Mechanisms originally intended to secure a level playing field need to be implemented in practical ways which have the wider goals of market commonality as their objective. With regard to many Regulations, a fear of over-zealous auditors and draconian levels of disallowance/penalties result in implementing authorities making risk-averse decisions which are, to all intents and purposes, immoral. This lead to

individuals suffering financial penalties as a result of mistakes or misdemeanours which are many times higher than the fines applied by UK Courts to serious criminals.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinder UK consumers and businesses both domestically and when exporting abroad?**

The FUW is unaware of any definitive evidence regarding such issues.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

The Union agrees with the general Welsh Government principle (as outlined in the Bioenergy Action Plan for Wales) that a shift towards the growth of energy crops should not be to the detriment of food production, especially since food production needs to increase by an expected 50% by 2030 to meet the demands of the world's population. However, for the Welsh farming industry to consider making changes to existing farming practices to accommodate bioenergy crops, there must be confidence that a long term market will be available for such products. In addition, there are no substantive support mechanisms in Wales to help farmers establish and maintain bioenergy crops; this, combined with an uncertain market environment, is a disincentive for Welsh farmers to enter the sector.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

#### **Disallowance and its impact on the agricultural sector**

As outlined by Owen Paterson recently, a key objective of the UK government is to minimise disallowance and associated fines, as the practical effect of disallowance is the reduction of support available to the farming industry and rural economy. This approach needs to operate in tandem with a more robust interrogation and implementation of all aspects of the CAP 'toolkit', in order to achieve 'best fit' of support mechanisms for industry requirements.

The lack of clarification provided by the Commission on what is allowable under the CAP Regulations is a constant source of frustration for those involved in disputes relating to support payments. Member States and regions which seek advice from the Commission on the interpretation of Regulations are told to refer to their own lawyers, rather than benefiting from clear guidance at a European level – yet are simultaneously threatened with disallowance if their interpretation is incorrect. This inevitably results in the 'gold plating' of Regulations. This situation rarely benefits any stakeholder, since the disproportionate interpretation of Regulations often leads

to appeals which are costly to administer, and sometimes court cases. An obsession with the minutiae of Regulations by auditors can at times run counter to the wider objectives of the CAP, whereas it is believed that auditors should focus on whether Regulations are implemented in a way which complies with their overarching objectives.

Having dealt with numerous cases where severely or terminally ill farmers have suffered large penalties as a result of minor mistakes, and the interpretation of single sentences in the Regulations, the FUW has consistently lobbied for a proportionate interpretation of CAP Regulations by both administrations and auditors.

### **The move towards the 'greening' of CAP, specifically Pillar 1.**

The FUW is fully supportive of greening through Pillar 2 of the CAP, and, like the UK Government, objects to the greening of Pillar 1, which will compromise food production in a way which contradicts the overarching principles established by the Commission and Parliament regarding the importance of food production against a backdrop of growing populations, climate change, rising sea levels, and peak oil production. In areas such as Wales, which have a long history of agri-environment schemes, the proposals may also undermine such schemes and their associated measures, thereby having an overall negative impact on the environment.

### **Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

- A reduction in EU budget allocation to agriculture, combined with the emerging demands on and within the EU for a more secure food supply in an unpredictable global economy.
- A drop in EU agricultural production levels post decoupling, in the face of increasing global food sourcing/security issues
- Food price inflation as a result of food shortages around the globe, and/or poor access to food supplies
- The increasing tension between environmental protection/habitat preservation issues and the push for intensification of food production.
- An increasing demand on the CAP budget across an increasing number of Member States
- A move by the UK to become more independent of Europe, therefore eroding the increasing levels of influence the UK has had to-date as regards CAP reform and other issues pertaining to agriculture

### **Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The UK agreed to enter the Common Market, and agreed with the principle of adopting overarching common rules and systems of support in order to make operation with a common market fair.

The FUW continues to believe that the benefits of membership of the Common Market and the EU far outweigh the disadvantages. However, FUW Members have become increasingly concerned at the level of micro-management of their actions and options through EU Regulations, and believe that this has a negative impact on the efficiency of the farming industry, both at farm level, and along the supply chain as a whole. Moreover, the heavy-handed implementation of such rules in a way which loses sight of the wider purpose of Regulations can undermine the desired objectives of a Common Market and common policy.

**Q15.** Not Answered

## **Federation of Small Businesses**

### **Q1. Should the EU have competence for agriculture and plant health?**

I do not believe there is a clear cut argument for this one way or another. Certainly the current system is bureaucratic but it does also deliver results for our businesses. There is suspicion that if the system reverted to the UK that agriculture would not receive the same emphasis that it currently enjoys through Europe.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

Certainly the programmes delivered both through Pillar 1 and Pillar 2 have delivered support to UK farmers. Pillar 2 and LEADER funding have also contributed to innovation and diversity in the agriculture area. The European approach has also delivered emphasis on agriculture.

#### **ii) disadvantages the UK national interest?**

Undoubtedly the EU approach is bureaucratic and has required many levels of audit and with that many levels of different interpretation. This has proved costly to UK businesses in terms of compliance requirements. The system has also encouraged fund chasing rather than dynamic innovation to meet market needs. The current system is also a very broad brush which meets pan European needs rather than addressing specific local needs.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

I think it should benefit from less EU action but there remains doubt as to whether it would receive as much emphasis. Current EU rules in areas like LEADER funding have meant that results are very prescriptive and have inhibited innovation. That said, the outline for the next LEADER programme seems to be more outcome driven and as such should give the scope to deliver local specific solutions through a European framework.

**Q4. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The Rural and farming Networks are still in their infancy but do act as a value source of information at a local level. These networks provide the potential to provide intelligence and therefore identify need at a local level. In respect of agriculture there are vastly different needs across our country and some form of sub national decision making would make sense. I know little about plant health so am not able to comment in that area.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

The benefit comes from the fact that agriculture is actually on the agenda and potentially receives more prevalence than it could as a "local" issue.

**ii) disadvantages the UK national interest?**

Additional levels of bureaucracy and compliance to meet European audit requirements which are then subject to local reinterpretation.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

If we weren't part of the EU our voice would almost certainly not be as loud. But, by being part of the EU we are subsumed in a very large and diverse area so the national voice is potentially not very loud.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

The size of the area makes delivery of the second objective difficult. My observations are that it has had a degree of success but could be a lot more effective.

**ii) How could current arrangements be improved?**

More local flexibility.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant**

**health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

I cannot comment on plant but the cost of compliance must at some point be passed on to consumers and when one looks at this compared to external competition, the additional compliance costs can and do hinder competitiveness.

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

Undoubtedly the current rules have delivered benefits in terms of rural development, but at times these are a blunt tool which does not encourage development which could deliver local benefit but would have delivered economic growth. The objective led focus for the next programme should be a better set of rules to deliver economic development.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Balancing environmental needs with economic development and the need to deliver safe, cost effective food within the rules and the local interpretation of those rules.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The right balance has to be able to deliver action not inertia and needs to be such that when action is needed then it needs to be able to be delivered in a timely fashion. There needs to be input from all these areas but it is difficult to determine what (if any) should be the lead function. In fact that may be different depending on what the issue is.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

The FSB's position is neutral in respect of the benefits of Europe. If agriculture could be assured of a status locally similar to that enjoyed in Europe the case may be clearer but being outside trans global trade talks can also leave the country vulnerable.

**Fermor, Dr Terry**

**Q1. Should the EU have competence for agriculture and plant health?**

As an allotment gardener and retired Research Microbiologist for Horticulture Research International; I do not believe that it is appropriate for UK gardeners to be regulated by the EU as if they were farmers.

Seed regulation for home gardeners needs to be brought back into UK control.

**Q2. - Q15.** Not Answered

## **Field Barn and Hedge End Farms**

### **Q1. Should the EU have competence for agriculture and plant health?**

In my opinion the EU provides a useful over-arching strategy which underpins food security within the EU.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

If we were to exclude EU single farm payments and environmental scheme payments our farming business would have been loss making in 2 out of the past 5 years. Only 1 year in the past 5 would have been significantly profitable. Without the Single Farm Payments we would not have been able to carry out necessary modernisation of our farming infrastructure. Our farm has significant scale and other neighbours are in a worse position. It seems likely that without direct EU payments, the farming industry in the UK would be plunged into an acute crisis.

#### **ii) disadvantages the UK national interest?**

Recent EU legislation on pesticide usage appears to be politically motivated rather than scientifically motivated. It would be helpful if the UK had the ability to opt out of certain rules. Similarly, the EU approach to GM food is very restrictive and needs to be more science based rather than faith based.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

I believe that the UK's agriculture sector is already highly competitive. Our crop yields are amongst the highest in Europe and this is unlikely to be influenced by short term fluctuations in EU activity.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The EU approach to biosecurity perhaps doesn't take into consideration the UK's unique "offshore island status". Perhaps rules could be developed with UK and Eire bio security in mind. Free trading of grain is important to our farm business. Much of our Group 3 biscuit wheat is exported to Spain. Some of our malting barley is exported to Holland.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?** I do not know.

**ii) disadvantages the UK national interest?** I do not know.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

In my opinion, The UK national interest would be best served by dismantling DEFRA and reinstating a Ministry of Agriculture.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest** I do not know

**ii) disadvantages the UK national interest** I do not know

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these arrangements and the EU's role in negotiating them help or hinder the UK national interest?**

As a large trade block, the EU is in a far stronger position to negotiate trade agreements than the UK would be on its own.

**Q9. Considering the Single Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

There is too much freedom for national/local Governments to move money away from direct farmer payments. While agri-environmental schemes should continue to be supported, in my opinion regional development schemes waste money.

**ii) How could they be improved?** Don't know.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?** Don't know.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

The grains and oilseeds that go into biofuels are traded globally and priced globally. The growth of biofuels globally has therefore coupled grain and oilseed prices with



energy markets to some extent. As a relatively small part of the biofuels market it seems unlikely that EU policy has a major impact on these relationships.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

Direct payments are vital to our farming business. Without them we would become unprofitable in 2 years out of five and be unable to sustain investment in our infrastructure. If the UK were to leave the EU then the UK Govt would need to act swiftly to prevent a collapse of the domestic farming sector. This action might involve erecting tariff barriers to protect UK farmers from imports or some new direct payment scheme. A profitable farming sector is vital if the UK is to meet its food security objectives.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The Agri-tech strategy is vitally important for the UK in that it plays to our strengths of scientific endeavour.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The more joined up thinking the better at all levels!

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I believe that the UK has a vital role to play in formulation of EU agricultural policy. Out of the important EU member states the UK is unique in that its agricultural sector is "low profile" from a political standpoint. The Green party is weak in the UK and all of the main political parties are happy to base agricultural policy on "science" rather than "belief". This means that the UK can say what is "right" rather than what is "politically correct" and is therefore well placed to insist that agricultural science is not trampled on in EU decision making. This is critical in shaping the agenda in areas such as GM and pesticide usage. There is no doubt that other EU member states are very pleased that the UK plays this role and would be sorry to see the UK pull out. However the UK's stance on direct payments is so isolated in the EU that we are unable to influence policy at all in this area.

## Fisk, Tom

### Q1. Should the EU have competence for agriculture and plant health?

I feel that the EU should not be responsible for making decisions about seeds which are intended for gardeners.

Those buying seeds for their gardens and allotments are a completely different sector, and I don't believe that this requires regulation at an EU level.

The agriculture industry in the UK is big business and implementing the new rules will have an effect on businesses in the industry."

Q2. – Q15. Not Answered

## Food and Drink Federation

This submission is made by the Food and Drink Federation, the trade association for food and drink manufacturing. Food and drink is the largest manufacturing sector in the UK (accounting for 15% of the total manufacturing sector) turning over £78.7bn per annum; creating GVA of £20bn and employing up to 400,000 people.

UK food and drink manufacturers also buy nearly two-thirds of UK agricultural production.

FDF members operate across the EU in increasingly open and competitive markets and support a harmonised European approach to agriculture and plant health. This helps to deliver a level playing field across the EU and greatly reduces market access barriers faced by both importers sourcing agricultural raw materials in other Member States and exporters of added value products. Renationalising these policy areas would increase the complexity and costs faced by companies currently operating in and benefiting from the EU Single Market.

While agriculture accounts for a large proportion of the overall EU budget, its share has fallen from 75% in 1980 to around 40% in spite of the EU's expansion from 9 to 28 Member States as a result of increased market orientation. The CAP now focuses on the delivery of public goods and acts more as a safety net than as a tool for the financing and micromanagement of agricultural production. Successive reforms have shifted support from production to direct income support for farmers, provided they respect health and environmental standards, and to projects aimed at stimulating economic growth in rural areas.

The key issue is the extent to which it is necessary to harmonise legislation at the EU level in order to provide a level playing field for companies competing both within the Single Market and more globally. There is no simple answer to this. Even within a harmonised system, it is important to maintain a degree of flexibility to respond to particular local circumstances. This balance can really only be assessed on a case

by case basis. The ability to derogate is fundamental to this, subject to safeguards against distortion of competition and other unintended consequences.

The EU's decision-making procedures mean that policy making is slow and can result in suboptimal outcomes. This situation is ever more challenging with the new role played by the European Parliament on agriculture under the Ordinary Legislative Procedure and the EU's expansion to 28 Member States. It is clear from a UK viewpoint that significant room for improvement exists in EU agricultural and plant health policy and further reform is required in order to address the twin challenges of food security and climate change. However the EU approach helps to provide a greater level of predictability for EU industry than would be the case with 28 competing national policies.

Food security is fundamental, not only to individual well-being but to all wider human social and economic activity. It is also an extremely complex issue dependent on many different factors and variables and cannot be seen in isolation from what is happening elsewhere in the world. By retaining its competence in agriculture and plant health, the EU can drive coordinated action across all Member States aimed at addressing these challenges while also ensuring a stable and secure business environment for industry to innovate and grow.

Renationalising these competences would lead to greater policy fragmentation. A key impact would be Member States having greater scope to introduce trade distorting policies. A significant achievement in recent CAP reform rounds has been the reduction in market management by the European Commission and the end of export refunds. Commodity markets are more interdependent and manufacturers face increasingly volatile commodity prices. Renationalising the competence for agriculture risks exacerbating this situation as some Member States may face greater electoral pressure to adopt protectionist approaches, with impacts on prices and availability stretching across the whole EU.

To continue to grow sustainably, industry must have access to a secure supply of raw materials that are safe, of high quality and competitively priced. This can best be achieved via a common policy for agriculture. It is already the case that additional national flexibilities introduced in the 2013 CAP reforms risk creating market distortions where other regions and Member States adopt different strategies towards implementation. For example, where Producer Organisations (POs) and Interbranch Organisations (IBOs) are recognised, these groups have the power to use temporary measures including market withdrawals. The adoption of varying approaches could have a detrimental impact for England's agri-food and drink chain and requires careful monitoring by Defra and the Commission.

Renationalisation would also risk undermining UK food and drink exports at a time when UK agrifood exports – the majority of which goes to other EU Member States – are growing steadily. More than £12bn of food and non-alcoholic drink products is exported each year, of which 76% goes to other EU Member States. Loss of export competitiveness in key European markets would therefore have serious impacts.

In terms of international trade and the negotiation of bilateral and multilateral trade agreements, UK interests are best served by membership of the EU with the competence for agriculture. The UK acting on its own would carry much less weight in any such discussions.

In the light of these considerations, FDF has the following additional comments in relation to the specific questions asked:

### **Questions 1-3**

Successive reforms of the CAP, combined with the reduction of market distorting subsidies and progressively greater liberalisation of trade at international level, have substantially reduced the rationale for EU competence over agricultural production – as opposed to the need to maintain an effective Single Market and to ensure high common standards of protection against risks to human, animal and plant health.

It is also arguable that the residual support and market intervention measures available under the reformed CAP provide a less even playing field than when similar provisions were more generally applicable.

### **Question 7**

The most recent CAP reforms were the first to be agreed under the full provisions of the Lisbon Treaty. The nature of that process, in particular the so-called trilogue mechanism for resolving differences between the institutions, introduces a very real lack of transparency in the latter stages of decision making. It can also result in provisions being agreed which have not benefitted from the degree of consultation and impact assessment applied at earlier stages.

### **Questions 13 & 14**

One of the major future challenges for the EU will be that of ensuring food security against a background of increased pressure on natural resources, growing global demand for food and the potential impacts of climate change. These are not issues explicitly addressed in the current CAP. The EU arguably needs a common sustainable food policy, which takes account of the supply chain as a whole and the global context in which food and farming industries operate.

### **The UK Food and Drink Manufacturing Industry**

The Food and Drink Federation (FDF) represents the food and drink manufacturing industry, the largest manufacturing sector in the UK, employing 400,000 people. The industry has an annual turnover of over £76bn accounting for 15% of the total manufacturing sector. Exports amount to over £12bn of which 77% goes to EU members. The industry buys two-thirds of all UK's agricultural produce.

The following Associations actively work with the Food and Drink Federation:

ABIM                      Association of Bakery Ingredient Manufacturers

ACFM                     Association of Cereal Food Manufacturers

|        |  |
|--------|--|
| BCA    | British Coffee Association                       |
| BOBMA  | British Oats and Barley Millers Association      |
| BSIA   | British Starch Industry Association              |
| BSNA   | British Specialist Nutrition Association         |
| CIMA   | Cereal Ingredient Manufacturers' Association     |
| EMMA   | European Malt Product Manufacturers' Association |
| FCPPA  | Frozen and Chilled Potato Processors Association |
| FOB    | Federation of Bakers                             |
| PPA    | Potato Processors Association                    |
| SMA    | Salt Manufacturers' Association                  |
| SN     | Sugar Nutrition UK                               |
| SNACMA | Snack, Nut and Crisp Manufacturers' Association  |
| SSA    | Seasoning and Spice Association                  |
| UKAMBY | UK Association of Manufacturers of Bakers' Yeast |
| UKHIA  | UK Herbal Infusions Association                  |
| UKTC   | UK Tea Council                                   |

FDF also runs specialist sector groups for members:

Biscuit, Cake, Chocolate and Confectionery Group (BCCC)

Frozen Food Group

Ice Cream Committee

Meat Group

Organic Group

Seafood Group

Vegetarian (Meat-free) Group

Yoghurt and Chilled Dessert Group

## **Food and Environment Research Agency (Fera)**

### **Plant Health – Draft for inclusion in Defra response to EU Competence review**

#### **Benefits**

1. The EU has created more opportunity for joined up research under the Framework programmes and schemes. These have enabled larger and longer term

projects than any single country could afford. (The Euphresco ERANET project is a key example that is described in the case study below.)

2. Member states are obliged to tell the UK about pest and disease interceptions and outbreaks. This informs biosecurity and strengthens UK contingency planning.
3. As a member of the EU, the UK is part of a larger trading block that has a stronger position than a single country when negotiating phytosanitary measures with third countries.
4. There is benefit to plant health businesses and trade from being part of the EU free trade zone.
5. Raising awareness of plant health threats across the EU population alongside opportunities for pan Europe training and information sharing is a developing benefit.

#### Dis-benefits

1. The Plant Passporting system does not provide adequate protection from most pests and diseases once they become established in the EU, especially pest and diseases on plants for planting from the Netherlands and Italy. However, the system may be strengthened under the current review of the EU plant health regime.
2. The EU regime forces inspection to focus on low-risk controlled trades instead of high-risk uncontrolled trades particularly for imported commodities; ie the ranking of risk differs for different countries of origin but is not reflected in EU requirements.
3. Individual countries have to survey for many diseases which are irrelevant to their own national biosecurity. For example, the UK must examine oranges from third countries for citrus blackspot that may affect southern European crops. Conversely, southern European countries are looking for predominantly northern European diseases eg, *Phytophthora ramorum* and *Chalara fraxiniae*.
4. Uneven operation of the regime by Member States leads to unacceptable movement of pests and disease into and within the Community. It also leads to inconsistent messages being given to businesses and trade.
5. Processes to change legislation or review regimes can be unacceptably slow.

#### **Case study on Euphresco ERANET and its influence on Framework research projects and creation of transnational research funding for Plant Health**

The rate of introduction and establishment of new economically or environmentally damaging plant pests and diseases has increased steadily over the last century as a result of expanding globalisation of trade in plant material. This is potentially exacerbated by climate change, by EU expansion creating new borders and pathways, and by a recognised decline in the resources supporting plant health activities. Although the legislation that underpins phytosanitary (quarantine and statutory plant health) policy is determined at the EU level (via the European Commission's DG SANCO and its Standing Committee on Plant Health), the research that supports Plant Health policy development and implementation,

especially for specific pests of statutory importance, is mostly done at the national level. Current trends indicate that, with the continued enlargement of the EU and much increased global trading (both in terms of volume, diversity and new trade pathways), threats from exotic plant pests (which includes diseases and invasive species such as non-native weeds) are likely to increase. Therefore, improved coordination and collaboration in the area of European phytosanitary research is vital to the following outcomes and benefits:

- i. To ensure effective underpinning of EU policy and its implementation (ie operation by plant health inspection services)
- ii. To sustain European phytosanitary science capacity in the light of the European and Mediterranean Plant Protection Organisation's (EPPO) statement (2004) that the phytosanitary basis (science and inspection services) was being eroded and that 'Plant Health was endangered'
- iii. To optimise and make best use of limited national Plant Health research budgets to achieve the best research outputs.

**Between 2006 and 2013 EUPHRESCO successfully achieved the following:**

- Mapped and analysed the national Plant Health research programmes of existing partners
- Developed mechanisms, tools and processes for implementing transnational research
- Tested three different funding mechanisms (virtual common pot, real common pot and a novel non-competitive funding mechanism) through the commissioning of transnational projects. The funding committed across the 24 competitively-let projects amounted to about €4.8 million, which represented about 30% of the total annual budgets (approximately €15MEur) of the EUPHRESCO partners. This represented a significant commitment from partners.
- Identified barriers to transnational collaboration
- Coordinated national, transnational and EU-funded research to optimise research outputs
- Developed a common research strategy and common research agenda as outputs
- Directly influenced the content of the 7<sup>th</sup> Framework Programme (FP7) call by contributing to key strategic topics being included in FP7 calls and projects emerging on:
  1. Developing the science of pest risk analysis (PRATIQUE Project)
  2. Developing DNA barcoding methods for quarantine pests (QBoL Project)
  3. Developing field-based tools for use by plant health inspection services (Q-DETECT Project).

4. Eradication and containment strategies and tools for the implementation of EU legislation against the red palm weevil (PALM PROTECT Project).
5. Developing seed testing methods for pest and pathogens (TESTA project)
6. Control of pests and pathogens affecting fruit crops (DROPSA Project)
7. Improved coordination and collaboration for European reference collections (Q-Collect)
  - The total EU funding for these projects was €22M of which Fera (UK) received €3M EU contribution. Nationally Defra contributed top up funding of €0.5M (in FP7 research projects are funded at 75% of cost from the EU).
  - A key financial benefit to Defra is investment of €0.5M and access to €22M of key strategic research.

**Other benefits to Defra and other EUPHRESCO members include:**

- Accessing expertise in other European countries, and more widely (globally) on occasion.
- Accessing research opportunities, e.g. in countries that have already had pests introduced but which have not yet reached the UK.
- Leverage of funds from other European national plant health research programmes, adding value
- Adding value to EU-funded plant health projects (e.g. FP7 and COST actions), e.g. follow-on projects, or running EUPHRESCO trans-national projects in parallel.
- Building wider science expertise and capability within European, benefiting UK Plant Biosecurity within the context of a EU Plant Health Regime, e.g. knowledge and skills transfer to other countries, and production of European-level standards and protocols e.g. via the European and Mediterranean Plant Protection Organisation (EPPO).

Finally, an evaluation of the Euphresco project is currently being undertaken by EUPHRESCO and also by Defra (UK-specific impact) and will be concluded in March 2014.

## Forestry Commission

### Introduction

Forestry is to be considered in the Agriculture Report as part of the Government Review on the balance of competences between the United Kingdom and the European Union. **Strictly speaking, the EU has no competence in forestry. However, forestry and the forestry sector are directly affected by EU**



**competence in many other closely related areas.** This paper sets out what these effects are - and why they need to be considered as part of the review.

Government policies and priorities for woodlands and forestry have international, UK and country-level elements to them. Defra lead on international forestry policy with support from the Forestry Commission. For domestic forestry, the Forestry Commission reports to the Secretary of State for Environment and Rural Affairs for UK and England issues. Forestry in Scotland, Wales and Northern Ireland is dealt with by the respective country level administrations, however the Forestry Commission acts to coordinate forestry policy where common themes mean this is beneficial.

### **Forestry and the EU**

Forestry remains a member state competence. The Treaty on the Functioning of the EU makes no provision for an EU common forestry policy or legislation in respect of forests or forest management. Any moves to transfer or compromise forestry competence have been rejected by member states.

However, the importance of the sector means the EU has a long history of taking a pro-active interest in forestry through cooperation. This approach is firmly based on the principal of “subsidiarity”: i.e. that action should only be taken by the EU if the objectives of any proposed action cannot be sufficiently achieved by the Member States at national, regional or local level. [Article 5(3) TEU].

### **EU Forest Strategy**

As forestry activity has many aspects to it, a significant number of EU policies and legislation where the EU does have competence are relevant to forestry. The principal policy areas are:

- Agriculture
- Environment
- Climate Change
- Energy
- Plant Health
- Trade
- Research

Without a coherent framework to address forestry issues, a complex and fragmented approach within the EU could impact negatively on the forestry sector. The EU and its Member States have thus developed an **“EU Forest Strategy: for forests and the forest based sector”**. Recently revised, and expected to be adopted in 2014, this addresses forests and the whole forest value-chain, and it sets an agenda for forestry co-operation in the context of other sectors and pressures.

The strategy:

1. recognises member state competence;
2. is based on the principle of subsidiarity;
3. seeks areas for cooperation and joint action;
4. reaffirms the commitment to sustainable forest management; and
5. assists implementation through channelling EU Rural Development funding.

Central to the strategy is the concept of sustainable forest management as articulated by the **Forest Europe** process. ("Forest Europe" is an international ministerial agreement. It is Europe-wide, i.e. beyond the EU, and involves 46 signatory countries). One of Forest Europe's key successes has been to define criteria and indicators for sustainable forestry.

## **The Disadvantages and Benefits of areas of EU-Competence that affect Forestry.**

### **1 General Issues**

The way in which the role of the EC is written into individual Regulations and Directives can identify a role for the EC which it does not have the expertise to fulfil; this is particularly the case for the parallel (shared) competency on climate change adaptation, and the Water Framework Directive for example. There are risks that as areas of EU competency develop, they impose additional requirements on forestry policy and burdens on forestry practice in member states, in other words "**competency creep**". Examples are given below:

**Example 1.** Land Use, Land Use Change and Forestry (LULUCF) negotiations (2013), and the Mechanism for Monitoring and Reporting Greenhouse Gas emissions (MMR) Regulation. The initial drafts of the Commission proposal required member states to submit action plans for climate change mitigation and adaptation to the Commission. The Commission was to then comment on those plans with member states being required to take due account of those comments. Whilst the final reporting burden in relation to LULUCF reporting was mitigated somewhat, it is nevertheless inconsistent with the principle of subsidiarity and has the potential to add to the burden of what is already a detailed reporting process.

**Example 2.** The development of sustainability criteria for bio-fuels and biomass by DG Energy involved "land criteria" and other requirements. These are inconsistent with member state competence for forestry and cut across Forest Europe agreements, and the UK Forestry Standard, which defines the UK and devolved governments' approach.

### **2 Agriculture – (CAP, Rural Development)**

In the UK, forests and woodlands account for 13% of the land area. Apart from land under development, the majority land-use is agriculture which benefits from direct payments to farmers under Pillar I of the CAP. These payments are not applicable to forestry – and although certain forestry activities are supported to an extent, this is

a small fraction of the direct subsidies and grants available to farmers for agriculture, (the forestry support is provided through Rural Development funding via Pillar II of the CAP). Moreover the way agriculture is supported tends to ignore potential gains or losses for forestry, for example “good agricultural condition” takes no account of the state of woodland and excludes environmentally valuable land use such as scrub, which can develop into woodland. Similarly, whilst the EU funds the improvement of agricultural productivity and competitiveness, comparable funding is not available for forestry. Support is also available for the “industrial” processing of agricultural products but not for forestry products - other than very small scale primary processing.

**Thus, these two principal land use activities have very different levels of financial support and the disparity of funding has led to a number of issues for forestry in the UK.**

**Disadvantages:**

- **High land prices**, supported by farming subsidies, mean that forestry is priced out of the market.
- **Current levels of farm payments**, mean that forestry policies to expand the woodland area are frustrated by farmers, who are extremely reluctant to forgo payments by turning agricultural land into woodland (although eligibility for direct payment support is retained for a short period following planting).
- The high levels of support offered to farmers tend to mean that they specialise in agriculture and as a result there has been an historic **lack of integration** or synergy between the two land uses, (except on traditional estates, where agricultural subsidy forms a smaller proportion of overall income, and capital growth is a more significant driver).
- Because any forestry support comes via the CAP Rural Development Regulation, it is **not primarily focussed on forestry** and the needs of the sector.

**Benefits:**

- Measures are available to support forestry activities through the Rural Development Regulation. To a degree, these can be tailored to meet UK needs, such as support for the environmental aspects of sustainable forest management and continued forest expansion.

**3 State aids**

Judgements of the European Court have determined that any support to the forestry sector from public sources is “State Aid”. (State Aid rules apply to the EU as part of international trade agreements to promote free trade and competition.) This is not the case with agriculture - where support is effectively exempt. As a result, forestry support is subject either to the General Block Exemption Regulation (GBER) or a bureaucratic approval process known as notification. In contrast to agriculture, **this**

**effectively limits the extent to which member states can offer forestry support.**

This limit is the stated intervention level, (i.e. grant level) mandated by the Rural Development Regulation (RDR). (There is however, an exemption for support at a small scale, known as *de minimis* aid, which can be used to support businesses up to a certain cash limit.)

Although the State aid Modernisation process, currently in progress, is likely to lead to an extension of the Agricultural Block Exemption to include forestry, the current proposal is that this will only apply to forestry support that is within the context of a Rural Development Programme.

**Disadvantages:**

- The ability to support the forestry sector, through public funding, to deliver UK or country level priorities is severely **constrained by the blanket application of EU State aid rules**; for example, when assisting local communities to acquire forest land for community management, and other UK or country level priorities.
- Any support, although in accordance with State aid guidelines, requires a lengthy **bureaucratic process** to confirm that this is the case, even if it is part of an approved Rural Development Programme.
- Even with the proposed extension to the Agricultural Block Exemption there will still be a need to notify any schemes or individual support out-with a Rural Development Programme.

**4 Environment – (nature conservation, water, biodiversity)**

As a major land use, forestry is directly affected by EU competence on the environment in a number of ways. The EU Directives on habitats, species and birds, together with Natura 2000 sites are a consideration in many areas of forestry and forest related activity. The EIA regulations also require detailed assessment of forestry proposals and forestry EIAs have been a significant proportion of those completed since the regulations came into effect. Whilst it is the case that the UK has its own wildlife legislation and designations, (and this protection would probably have been extended irrespective of the EU), the EU competence in the environment has been the major driver.

Paradoxically, the better our commercial forests are managed for wildlife the more constraints they will be required to observe as wildlife prospers. This has the potential to inhibit forest management practices, and to create perverse effects; for example avoiding forest operations in the nesting season of scheduled birds may lead to forest harvesting having to take place during times that are less practical and which may have adverse effects on other aspects of the environment such as water quality, leading to an overall decline in the quality of the habitat.

The Water Framework Directive has a major influence on how forestry is managed in relation to water catchments, particularly as forestry is often a major land-use. The

relationship is informed by River Basin Management Plans (a requirement under the above EU Directive.) In addition the EU Floods Directive which will require local flood risk management plans which will also have a bearing on forestry.

#### **Disadvantages:**

- Forestry practitioners and forestry regulators have been required to fulfil a number of **regulatory requirements**, such as the EIA regulations and compliance with environmental Directives. This has contributed to the burden on the sector, especially as the scope for flexibility in their implementation has not always been clear. An additional burden relates to requirements in forest planning for biodiversity reporting (target 3b).
- **Forestry activity has been constrained** in a number of ways and sometimes EU legislation has appeared heavy handed in relation to the potential risks when set against the known benefits of well managed forests. Moreover, deforestation
- **Forestry expansion has been curtailed**, by the protection of certain habitats, for example peat-land, where EU protection – which takes account of the wider EU context - may be more stringent than the consensus that could be achieved domestically at either a UK or country level. In a largely deforested country like the UK, this presents a significant hurdle to the governments' policy for reforestation.
- **Deforestation has occurred** to a limited but locally-important extent to re-instate habitats considered to be of EU importance / significance, such as lowland heaths.

#### **Benefits:**

- The protection of **important habitats and species** has been strengthened.
- **A regional (EU wide ) perspective** has been facilitated to better coordinate conservation and environmental activity across administrative borders.
- Some of the **environmental non-market benefits of forestry** have come to the fore and been supported by EU and other funding streams.
- Impetus has been given to the **protection of water quality** and mechanisms to deliver this, such as river-basin management plans. This is helping to emphasise forestry as part of the solution - rather than continuing to be perceived as part of the problem.

### **5 Climate Change – (emissions trading, adaptation, mitigation, land use change (LULUCF) and carbon accounting)**

Domestic forestry is particularly affected by EU competency in the area of climate change. The main impacts relate to the Renewable Energy Directive, LULUCF, meeting EU carbon targets post 2020; Regulations on the monitoring and reporting greenhouse gas emissions, and climate change adaptation.

## Disadvantages:

- The focus of national and EU-level climate change policy on the EU-Emissions Trading Scheme (EU ETS) has limited the development of carbon markets in non traded sectors not covered by the ETS. In the case of forestry, there has been significant interest in developing domestic carbon markets to fund woodland expansion in the UK. However the EU-ETS has not, thus far, recognised contributions from domestic projects as an alternative mechanism for achieving emissions reductions. Consequently, this **effectively restricts the applicability of carbon credits from domestic forestry projects** in Member States thereby preventing the benefit that such linkage could potentially bring from being realised.

## Benefits

- EU-level negotiating in international climate change agreements under the United Nations Framework Convention on Climate Change has clearly been more effective than individual Member States acting independently. There are also likely to have been significant cost savings.
- Although somewhat discredited due to recent issues of over-supply of allowances, the EU-ETS has become established as the world's largest carbon market; this would not have been possible without EU-level action.
- Regarding climate change adaptation, EU-level parallel competency has been critical in raising the issue across member states, sharing best practice and facilitating pan-European monitoring and information exchange.
- EU competency in Climate Change has raised the importance of forestry as a mechanism to sequester carbon and mitigate the effects and also as a source of renewable energy. The Forestry Commission's Woodland Carbon Code (WCC) has led to a voluntary mechanism that acknowledges the role of woodland creation projects in reducing net greenhouse gas emissions from business, while contributing to the UK's emissions reduction targets.

## 6 Energy - covering wood-fuel, biomass, sustainability criteria, renewables.

Wood is a vital source of sustainable energy in the light of concerns over dwindling and increasingly expensive fossil fuels and the impacts of carbon emissions on climate change. In recent years, the energy market for wood has been revolutionised and hugely expanded and there have been great advances in wood burning technology. Supporting this, the EU Renewable Energy Directive stipulates that member states must deliver 20% renewable energy by 2020 and in many countries, including the UK, a large proportion of this will be met through wood. In order to ensure this is achieved, subsidies will be paid to energy and heat producers however they will be conditional on meeting certain criteria. Domestically, this expanding market has the potential to bring neglected woods back into economic management to the benefit of both the rural economy and biodiversity.

## **Disadvantages**

- The criteria for sustainability stipulated by the EU have not yet been finalised, but draft versions would impose new criteria which cut across the existing international consensus upon which the UK approach (the UK Forestry Standard) is based and could impose additional burdens on forest owners.
- The impetus behind wood for fuel could threaten the over-exploitation of some resources at the expense of biodiversity, carbon stocks and site productivity; however the UK Forestry Standard is in place to ensure this does not happen.
- Some in the timber processing sector are concerned that incentives for wood energy will mean that supplies will be diverted from wood using industries and prices will rise; particularly for the poorer grades of wood material that has been available at low prices in the past.

## **Benefits**

- The advent of these new markets, particularly for lower value forest produce that might otherwise be uneconomic to harvest, has provided a major boost to UK forestry. It is starting to have an impact at many levels, so both large scale forestry operations and the management of small woods have benefited and will continue to do so.
- As the economics of forestry improve, it is likely to provide more incentive for owners to undertake new planting and woodland expansion

## **7 Plant Health –protection against the introduction of harmful organisms to the EU and the internal movement of plants and plant products within the EU, the marketing of seed and forest reproductive materials**

Our trees and forests are remarkably resilient to attack from pests and diseases. However, over the last decade there has been an increase in the rate at which new threats have appeared in the UK - a trend which is in common with other plant pests. The problem is closely associated with an increase in global trade which has created the routes for pests to arrive and become established. The European Community operates to a common plant health regime which is designed to facilitate the safe trade in plants and plant products from other parts of the world. The controls on trade within the Community are less stringent and it is affected by marketing and trade legislation (see below) which applies equally in each member state.

There is EU competence in the area of forest reproductive material marketing regulations. The EU regimes for plant health and the marketing of forest reproductive material are currently under review. The proposals for the new regulations revise and update the current regime and seek to address and simplify the action on future threats.

## **Disadvantages**

- As an island nation we can differ in our approach to certain pest and disease threats to other parts of Europe. Sometimes the requirement for free trade within the EU **conflicts with our need to control movement of certain plants and plants products** to prevent the entry of pests which may already be established elsewhere in the Community. The Plant Passport system does not currently provide adequate protection from most pests and diseases once they become established in the EU.
- Individual **countries have to survey for diseases which are irrelevant to their own national biosecurity**. And the EU regime requires inspection on low-risk controlled trades - instead of high-risk uncontrolled trades particularly for imported commodities.
- Processes to change legislation or review regimes can be unacceptably slow. And in emergency situations, it is sometimes challenging to reach agreement to rapid action in response to new threats. The need to consult 28 member states inevitably means that **decisions take longer than in the case of action at a national level**.
- The size and value of the forest sector is lower than agriculture and the priorities for agricultural crops can be very different to those for forestry. The EU imposes a single regime for all plants and propagating material, this means that forestry priorities and interests can be subsumed unless forceful representations are made.
- The risks of inadvertently introducing pests into Europe would be greatly reduced if all member states would rigorously operate to a common regime for import and subsequent movement of material. Uneven operation of the regime by Member States leads to unacceptable movement of pests and disease into and within the Community. It also leads to inconsistent messages being given to businesses and trade.

## Benefits

- There is a **benefit in free trade of forest products** with no border controls between the member states, and as a trading block the EU is in a stronger negotiating position with respect to phytosanitary measures with third countries.
- The advantages associated with common import controls also apply to the measures which apply to intra community movement of materials. It is much more efficient to have a shared understanding of the measures which are required for movement of material between countries than it is to have disparate regulation.
- The capacity to respond to emergency situations is better achieved by drawing down on the combined resources available to all member states than it is to operate in isolation. The principle of solidarity is that member states will



share in their support to responses to outbreaks of EU priority pests and this has been of great benefit to the forestry sector elsewhere in Europe.

- The EU has created more opportunity for joined up research under the Framework programmes and schemes. These have enabled larger and longer term projects than any single country could afford. (The Euphresco ERANET project is a key example.)

## **8 Trade –imports of timber into the EU, Illegal timber and due diligence**

As an EU competence, the effects on trade for domestic forestry can be divided into those that affect the EU internal single market and those that affect the UK through the EU's trade relationship with the rest of the world.

The EU single market promotes a common approach and as part of the initiatives to tackle illegal logging the EU Timber Regulation was introduced in March 2013. This requires anyone placing timber in the EU market to ensure that processes are in place to ensure the timber has been legally obtained. This applies to domestic timber and thus has impacts for the forestry sector.

### **Disadvantages**

- UK domestic controls on imported materials have been curtailed by the free market and this increases the risks of introducing pests and diseases for domestic forestry. (See above)
- The EU Timber Regulation has imposed additional duties and burdens, (however these have been minimised through existing UK Forestry Standard regulatory mechanisms.)

### **Benefits**

- Forestry-related goods can move across the EU with the minimum of restrictions.
- The EUTR will help combat illegal logging work to reduce un-fair competition, and promote responsible forest management worldwide.

## **Fortey, John**

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes, but only for farming. The needs of home gardeners are quite different from those of farmers, and seeds intended for home or allotment use should be under the control of UK law, not EU regulations.

**Q2 - Q15.** Not Answered

## Fox, Terry

### Q1. Should the EU have competence for agriculture and plant health?

I feel that the EU shouldn't make decisions about seeds intended for gardeners.

Agriculture in the EU is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

Drafting this law, having consultations over it and enforcing it will make for, in my opinion, unnecessary additional bureaucracy which will incur costs both financial and time - I for one have plenty of other things I should be doing.

There is also the certainty that if the law comes in to effect as it stands plant varieties will be lost. Given that we do not know what genetic material will be needed in the future this is extremely fool hardy.

Q2. - Q15. Not Answered

## Fresh Produce Consortium

### Q1. Should the EU have competence for agriculture and plant health?

The fresh produce industry operates in a global market and pests and diseases can operate across artificial boundaries. **Plant health controls need to be risk based and proportionate** and to recognise the need for continued international trade.

Therefore there is a role for the European Union in terms of providing a strategic approach to plant health controls with shared responsibility with individual EU member states to allow them flexibility in prioritisation of resources and actions.

We have supported Defra's position when lobbying for a more risk based approach to be applied to plant health controls within the review of the EU Plant Health Regime, as well as the **need to balance a harmonised approach with the flexibility for individual Member States to prioritise their resources.**

The European Food Safety Authority is responsible for undertaking research and assessment of risk on behalf of the EU. We question whether EFSA is always willing and able to take into account research available from global sources, for example in the case of Citrus Black Spot.

In response to the EFSA consultation on its draft scientific opinion, a group of international scientific experts (CBS Expert Panel) produced a report which refutes the assumption that Citrus Black Spot can be transferred via exported fruit. The report states: 'The Panel has identified factual errors, omissions and differences in assessment within EFSA (2013) which result in strong disagreement with the outcome of the assessment... A sequence of unlikely events would have to occur for there to be any prospect of imported citrus fruit giving rise to infection of citrus plants in the EU. Even if an infection event was to occur, it is our considered opinion that

there is no risk of establishment and spread under EU climate conditions... Relative to EFSA (2013)'s own assessment of marginal climatic suitability of a few fragmented areas in the southern extremes of the PRA area, CBC cannot be considered a potential pest of economic importance in the EU'.

We believe that the points raised by the CBS Expert Panel must be taken into consideration as EFRA completes its final report and recommendations, and we have asked that the Commission should not undertake any measures which will have a detrimental impact on UK citrus imports given these opposing views.

**Q2. What evidence is there that the EU approach to agriculture: i) benefits the UK national interest?**

There are advantages in providing the UK with a heads up on new and emerging pests which may pose a threat to UK growers. However, there are concerns that intelligence on emerging pests may not be shared in a timely way. Often the decision making process is slow and the UK may need to resort to implementing its own control measures in advance of any coordinated EU response (for example, with **Tuta Absoluta**).

**ii) disadvantages the UK national interest?**

The harmonisation of EU plant health controls does not always lend itself to take into account regional differences. The European Commission's current application of control measures on EU imports of South African citrus in relation to the potential risk from **Citrus Black Spot** is a case in point.

Citrus accounts for 21 per cent of all fruit consumed in the UK. Under the EU harmonised Plant Health regulations the UK would be unable to import South African citrus if the Commission imposes restrictions on EU imports, despite the fact that the UK is not able to grow citrus commercially and therefore Citrus Black Spot poses no risk to UK growers or to other crops. We have put forward to the Commission and others that the economic impact of a ban on EU imports of South African citrus during the spring and summer 2014 would be significant to the UK market, reducing availability of fresh citrus and juice to the UK consumer.

UK suppliers would not be able to source sufficient volumes in a period when alternative supplies are not available from EU citrus producing countries. The 2013 season saw the impact of market shortages and increased costs on the UK fresh produce industry, with some UK retailers reporting a 35% increase in their costs compared to 2012. The quality of citrus would be affected adversely and retail prices would be inflated.

FPC has been lobbying for the European Commission to consider fully other options available under a risk based approach to plant health controls. This would ensure that citrus growing regions of the European Union are protected, whilst allowing continued trade for non-citrus growing countries such as the UK and the Netherlands.

The EU Council Directive 2000/29/EC includes scope for a regionalised approach to plant health controls through the designation of Protected Zones (i.e. citrus growing regions in the EU). For example, a citrus growing EU region/country could apply to become a Protected Zone. This could permit continued imports to the UK where Citrus Black Spot poses no risk. Defra advises that there would need to be strong evidence that such a system could be administered effectively, through labelling and traceability, to avoid fruit moving from non CBS susceptible to susceptible areas.

There are significant **differences in the vigour in which EU member states may apply plant health controls**, as evidenced by monitoring carried by the Food and Veterinary Office, including the recent report on Italy's plant health regime. Whilst the UK diligently applies the required levels of controls on imports there is evidence that other EU member states do not. This also applies to the charges imposed on UK businesses for plant health controls compared to other EU member states.

In 2012 there were a total of 79 outbreaks in the UK; three outbreaks related to tomato plants in the UK, and none related to fresh produce. Compared with the incidence of outbreaks arising in other European member states, the UK authorities appear to be 'gold plating' their management of inspections.

Better coordination between inspectorates would improve consistency in approaches and ensure fair trading across EU member states. Inspections should be focused at the growing sites and boundaries between infested and non-infested areas rather than points of entry in order to better target risks and minimise the risk of spread.

Fresh produce offers a low risk compared to plants or seeds and there is far greater scope in some cases to have further reduced inspection levels where products already require a phytosanitary certificate from the exporting country. In 2010/11 the reduced checks arrangement cut the number of consignments requiring plant health checks. Less than one per cent of imported consignments in the UK have any issue.

Based on Fera's interception data, in 2012 just five countries are responsible for 63% of the issues with fresh produce and cut flowers, and 69% of interceptions in the UK relate to just four types of commodities. Therefore approximately £2.7 million is being invested per annum to manage four identifiable types of commodities from five known countries of origin.

Both Fera and the European Commission should be using the intelligence gathered to target those countries which are the originators of plant health issues and engage in an effective dialogue with embassies and trade bodies to help them eliminate problems at source. There is no evidence of any proactive approach by UK or European authorities towards the relevant authorities in these countries.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

FPC welcomes a pragmatic approach to risk management in the plant health controls and supports the UK's desire to recognise under an **Assured Trade**

**Scheme** those suppliers of fresh produce and cut flowers with a long-standing record of compliance and which therefore pose less risk.

The **reduced frequency of plant health checks** has been a highly effective measure and welcomed by the UK fresh produce industry in reducing unnecessary bureaucracy and costs. We believe that the reduced frequency checks regime should be extended.

The UK fresh produce industry has highlighted the **lack of transparency and consistency in the past with regard to setting charges for controls across the EU**. Increased fees for statutory services is making England and Wales less competitive compared to other EU member states which are operating already at full cost recovering but which have far more efficient processes.

The Netherlands is a key route into the European Union and a competitor for fresh produce and cut flowers, receiving 229,692 imported consignments of regulated material in 2010 via a potential of 548 places of inspection. The Dutch basic import inspection charge per consignment of cut flowers, fruit and vegetables is around 50% less than in England and Wales. The Dutch model includes: de-regulated services; a four hour pre-notification requirement for all arrivals, not just airfreight, by importers/agents; documentary checks carried out at the same time as identity and plant health checks and not necessarily at the point of entry; samples provided by trusted forwarders; examples of immediate identification of pests by the inspector, eliminating the need for samples to be sent to a laboratory and minimising delays and costs in clearance.

UK Plant Health officials have stated that there is **potential for improved targeting of resources towards areas which pose a higher risk** (such as plants and planting materials) compared to fresh produce and a greater use of reduced inspection checks for fresh produce products which pose little or no threat in the UK. Better coordination between inspectorates would improve consistency in approaches and ensure fair trading across EU member states. Inspections should be focused at the growing sites and boundaries between infested and non-infested areas rather than points of entry in order to better target risks and minimise the risk of spread.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The UK imports around 60% of its fresh fruit and vegetables, with the majority of imports coming from other EU member states.

It is vital that UK consumers have access to a wide range of fresh produce all year round in order to achieve a healthy diet, particularly as the majority of consumers are failing to meet the recommended 5 A DAY.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in**

**addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

In the context of the EU Plant Health Regime, UK officials have stated that there is the potential for improved targeting of resources towards areas which pose a higher risk (such as plants and planting materials) and a greater use of reduced inspection checks for fresh produce which poses little or no threat in the UK. There are significant costs incurred by the UK fresh produce industry where risk has not been assessed fully and where risk management is not in proportion to actual risk.

The UK is developing a **UK Plant Health Risk Register** which will meet the need to prioritise resources to target those pests, weeds and diseases which pose the most significant environmental or economic threat to the UK. This approach is welcomed by the UK fresh produce industry. It is vital that the UK is given the flexibility to use this emerging tool to its best effect under any EU harmonised regulation.

We challenge the assumption of the necessity for phytosanitary certification for some products which are retained on the basis of a historic requirement. Fera must tackle the impact of unregulated trade which can cause issues, and which would not be covered by any certification.

EU member states should be able to apply for derogations on a regional basis, such as the one proposed by the UK for imported citrus for processing.

The fresh produce industry recognises its shared responsibility to manage plant health controls through an integrated approach throughout the supply chain. There are occasions where effective awareness raising and reliance on industry control measures can prove highly effective against the potential threat of new and emerging pests and diseases, for example, with **Spotted Wing Drosophila**.

**Q7.** Not Answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The EU is best placed to negotiate trade agreements on behalf of individual Member States and to liaise with the WTO. It would not be realistic for the UK to take on this role. However, there are concerns that the European Commission can on occasion take decisions without sufficient consultation and a thorough assessment of the potential impact on the global market, and consequently decisions could lead to trade distortions.

**Q9. – Q12.** Not Answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

FPC believes that the EU and UK plant health strategy should be driven by a risk-based approach to prevention and intervention, reflecting current and emerging threats to plant health, and not based on a historical context of previous working practices and allocation of resources. We believe that the inspection scheme should operate within a framework which ensures a fair allocation of responsibilities and costs between the stakeholders across the food supply chain and the UK taxpayer.

Future challenges will come with further expansion of the European Union and the potentially diminishing UK influence in the EU decision making processes. In addition, climate change will increase the potential spread of pests and diseases to spread and establish in the UK, requiring greater need for prioritisation of limited resources, and providing greater challenges to food security and sustainable food production.

**Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

We are concerned about access to research budgets for horticulture in relation to the crop protection and increasing occurrence of resistance to certain pesticides. There are likely to be additional negative impacts on UK competitiveness in the global market as the EU's introduction of comparative assessment and substitution of crop protection products reduces the range of crop protection products available to the EU grower, with likely increases in production costs and crop losses.

## **Fresh Start Project**

\*Note: "Manifesto for Change" document by Fresh Start Project is available at:

<http://www.eufreshstart.org/downloads/manifestoforchange.pdf>

\*Note: "Chapter 3 – Common Agricultural policy" document by Fresh Start Project is available at:

<http://eufreshstart.org/downloads/cap-chapter.pdf>

## **Gantschuk, Jeff**

**Q1.** Not Answered

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Haven't seen any.

**ii) disadvantages the UK national interest?**

The evidence is on the shelves of green grocers. The UK has to have uniform standards. The EU can do what they like.

**Q3. - Q8.** Not answered

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

With the EU there is no level playing field. We have nothing to gain in the CMO.

**ii) How could current arrangements be improved? Pull out of it!**

**Q10. - Q14.** Not answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

## Garden Angels Frome

**Q1. Should the EU have competence for agriculture and plant health?**

In our opinion the EU should not be given the authority to control or make decisions regarding the regulation of seeds or any plant reproductive material intended for use by gardeners.

Agro-industrial use of plant reproductive material is an entirely different issue to that of gardeners using said materials in the course of cultivating their gardens, allotments and small-holdings for self-sufficiency. The EU does not need to regulate the activities of gardeners."

**Q2. - Q15.** Not Answered

## Garden Organic

The National Charity for Organic Growing

**Q1. Should the EU have competence for plant health and plant reproductive materials?**

The EU should have the competency for monitoring and evaluation purposes only for both

- a) Plant health; and
- b) Reproductive Materials



In terms of the enforcement for the former that should be in the hands of the Member state concerned with a European observatory recording and evaluating the spread of diseases and pathogens across the EU so that the EU can play a significant role in helping to learn from the experiences within each Member State and to ensure that we transmit lessons learnt concerning practice and its impact and effectiveness. The only purpose of the EU involvement in the latter would be to act as a record centre for all varieties of plant and to provide a pan European directory for all plant varieties and to ensure that all varieties of food and ornamental crops are kept in a major seed bank in one or more of the Member States with each Member state having the responsibility for particular genera of plants in a similar way to Zoos holding the stud books for the specific species of endangered animal held in zoos across the world.

The use of DUS should not be imposed upon groups of plant unless they are F1 Hybrids where there are uniform characteristics. If companies wish to comply it should be voluntary and managed at Member state level not across the EU. These should take the form of a revised Directive as opposed to a regulation so that each country can exercise a sensible degree of . Countries like the UK exhibit a more relaxed approach to regulation when niche market and heterogeneous materials are involved as unlike many other countries in the EU the UK has a rather buoyant market of small specialist growers, plant breeders and seed companies all of whom would be adversely affected by the proposals from DG SANCO.

**Q2. What evidence is there that the EU approach to plant health and plant reproductive materials:**

**i) benefits the UK national interest?**

Only potential benefits as mentioned in Q1 are for plant health in monitoring spread and encouraging best practice and learning from previous experience across the EU and providing an observatory to ID pests and pathogens and their rate of spread and methods of transfer.

No evidence for PRMs, the items mentioned in Q1 would provide a benefit but as they are currently not included it is difficult to see what benefit the regulation administered by the EU could possibly provide.

**ii) disadvantages the UK national interest?**

The proposed PRM Regulations would seriously disadvantage the small growers and specialist seed companies supplying private gardeners and smallholders and market gardeners food growing co-operatives etc.

**Q3. Not answered**

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

There will need to be inspections of plant materials entering the UK borders for one to have confidence in the process. We are operating in an international market it is

best controlled at the UK level and the EU could help to inform a set of standards but these will need to acknowledge the different susceptibilities each member state may have to certain types of disease, pest or pathogen. Plant pathogens do not respect borders and could easily be transmitted across the EU without cross border control especially across Ocean barriers e.g. Ash Dieback imported stock from the Netherlands.

As for PRM's there should not be any constraints as to where plants are grown i.e. specific varieties of plant only to be allowed to be grown from their source of origin when in fact with climate change we may well need to breed plants in different locations across the EU in order to adapt to different climates e.g. Latvian Pea in the UK has been grown over many generations by migrants now living in the UK and the plant has changed and adapted to our climate and so is different to the Latvian Pea from Latvia. In effect we must ensure the maximum genetic diversity of plants in order to cope with climate change pests and diseases etc.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on plant health and plant reproductive materials at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

See Q4 above for the PRM example. EU level can assist with an observatory role and knowledge dissemination whilst policing and controls adopted at Member state level using a Directive rather than Regulations. Possibly apply across the whole of Europe for the Major F1 cereal and vegetable crops but limit it to those only no more. The EU should be playing a role in ensuring maximisation of genetic diversity and preservation of landraces and endangered varieties etc. It should offer special protection to those key centres of diversity in Europe.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

The EU Parliament does provide a collection of very different views and the potential for a balanced debate. The problem lies in the Chief Rapporteurs and Shadow Rapporteurs and the need for clear codes of governance especially in relation to lobby groups with a commercial interest in an outcome of a decision. The two Chief Rapporteurs with limited knowledge and experience and a consultation period of less than 2 weeks had effectively undone over two years worth of negotiations with the Commission which ensured exemptions were placed in the Regulations to enable SME's to continue their business and for living seed banks run by NGO's to continue preserving rare varieties of plant without incurring masses of red tape and high costs which render maintaining certain varieties no longer economic

**ii) disadvantages the UK national interest?**

PRM Regulations - Special corporate interest groups have clearly held sway over a few key MEPs and also certain Member States like France also have an interest in the outcome which is clouding sensible decision making.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

I could see the non EU countries putting up similar barriers which in the case of PRM would be onerous especially for the SME's etc. Many of the latter could end up trading on the internet and effectively by passing the controls thus slipping under the radar. The costs of policing this would be prohibitive and would not be cost effective due to the niche market size overall.

**Q9.** Not answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The proposed PRM regulations will result in the loss of many varieties especially open pollinated varieties.

**Q11. – Q12.** Not answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Ways of ensuring plant varieties are preserved and available to plant breeders in the future are not covered by the PRM regulations yet this should be the most important factor in considering this legislation. There is an opportunity for there to be a levy on plant sales which goes in to funding living seed banks and statutory seed banks for the preservation of varieties that would otherwise be lost to the industry and farmers across the EU. This of course is critical to food security and adaptability to climate change.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

PRM Regulations - A Directive with exemptions for living seed banks and SME's based upon the 2m EURO and 10 employees definition. Applying the strict rules for DUS Testing etc to only the major food crops which are the F1 Hybrids and have an EU register for those only and allow Member states to have their own national registers. If the French government is setting undue constraints upon French growers allow those growers to register those plants for growing in the UK or elsewhere if they so wish. We should not be constraining genetic diversity but encouraging it especially with respect to open pollinated varieties and heterogeneous varieties.

Q15. Not answered

## Garstang, Liam

### **Q1. Should the EU have competence for agriculture and plant health?**

Competence should be assigned 'bottom-up'. By this I mean that where the principle effects are small-scale or local/regional, competence should be at an appropriate level within the member country. Regulation of seeds, particularly those used at small scale in gardens and allotments, is a topical case in point. Where effects are larger scale (e.g. Colorado beetle?) then EU-level competence might be appropriate. Subsidiarity should always apply.

Q2. – Q5. Not answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

As a rule, interest is most likely to be better served by governance at the same level - in this case, national.

We should expect better alignment to our interest, thus better buy-in from citizens, lower cost to implement and administer with fewer appeals."

Q7. Not answered

### **Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

That depends largely to the extent that the UK is actively engaged in shaping the EU position from the inside. To the extent that the UK does a good job at this, we should expect the EU's role to help our national interest.

Q9. – Q15. Not answered

## Gens, Susanne

### **Q1. Should the EU have competence for agriculture and plant health?**

While the EU should have some competence for example banning GM seeds, each country within the EU should be able to determine what they can grow. After all, Mediterranean plants will struggle in the Scottish climate no matter what.

Q2. – Q15. Not Answered

## George, Angela

### **Q1. Should the EU have competence for agriculture and plant health?**

Not in my view. I am an amateur gardener and feel that the EU tends to regulate purely for big business purposes and fails to understand that home gardeners need vegetable and fruit varieties with very different qualities to commercial growers.

Any EU regulation will have large administrative costs to register seeds (and incur additional annual charges to keep these varieties registered) which are out of the reach of small companies that provide seeds for the domestic grower. This approach would also mean that heritage seeds will be lost.

**Q2. – Q15.** Not Answered

## Gillingham, Elaine

### **Q1. Should the EU have competence for agriculture and plant health?**

The proposed changes to the plant reproduction laws will seriously affect those of us who garden or tend allotments in the UK. The varieties that are useful to us in our own specific environments would be seriously compromised by the proposals with what appears to be no advantage to agriculture in the EU.

To protect UK gardeners I believe that the EU should not have competence in this area.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

Removing the derogation for gardeners' access to seeds in small quantities (i.e. not farm scale) would disadvantage the UK's interest, given the number of gardeners and thus the quantity of food produced by them for their own use.

**Q3. – Q9.** Not Answered

### **Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

UK consumers will be hindered by a lack of access to varieties of food crop seeds that grow well in our own areas.

**Q11. – Q15.** Not Answered

## Giraud, Luc

### **Q1. Should the EU have competence for agriculture and plant health?**

I think that gardeners' and amateurs' activities should not be included in the EU regulations. I have myself an allotment and it is essential for me to choose my seeds from a variety of seed producers and to buy organic seeds as much as it is possible. I also use my own seeds. Therefore I don't want the EU to have competence in this area as EU legislation would result in having fewer choice and higher price when buying seeds. It may also prevent me collecting my own seeds, as registration for amateurs may be required.

**Q2. – Q15.** Not Answered

## Glavardanov, Mira

### **Q1. Should the EU have competence for agriculture and plant health?**

EU should not have competence in Plant Reproductive Material intended for UK gardeners. Gardens and allotments are different to big commercial farms and should not be regulated in the same way. It is not appropriate for UK gardeners to be regulated by the EU as if they were farmers; they are a completely different sector and have very different needs. Garden plants and seeds have a different purpose, are grown in a different way and follow a different growing pattern than cereals and potatoes grown commercially on hundreds of acres. Agriculture in the EU is a major business, individual gardens and allotments are not, they work in a very different way and therefore should not come under the same seed law or same strict EU regulation.

**Q2. – Q15.** Not Answered

## Gleeson, Tessa

### **Q1. Should the EU have competence for agriculture and plant health?**

No. Gardeners should be free to exchange seeds and preserve our seed heritage by using any heritage seeds that we currently have access to, and any descendants of these seeds, in perpetuity. The EU should not have competence over agriculture and plant health, since decisions over plants which are not exported, but grown and consumed locally, can be made in the U.K. Where any competence/ regulation may be seen as necessary to Agriculture, the rules should not apply to gardeners and allotment/small plot owners.

**Q2. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Devolving power over seed legislation to a local level, at a national scale or smaller, allows localities to challenge the power of seed corporations and resists the immediate and hasty introduction of prohibitions concerning seed sharing, local governance thus encourages seed diversity, an important safeguard.

<http://foodsecurity.uchicago.edu/research/preserving-seed-diversity/>

**Q7. - Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Throw Monsanto and GMO crops out of the UK. GMO's are bad business. The traditional wide variety of seeds will, when allowed to continue un-legislated against, prove healthier, cheaper and far less damaging to the environment."

**Gonzalez, Sohani**

**Q1. Should the EU have competence for agriculture and plant health?**

Absolutely not, this is all part of Agenda 21. We are not fools and thousands do know the future plans to control us all and the food we eat!

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

There is none. We have grown food in our individual countries for thousands of years providing a great variety of food stuffs which benefit us and wildlife, especially the bees !

**ii) disadvantages the UK national interest?**

NO sovereign state should allow another large group of decision makers to control the food they eat or the quality they eat ~ this is Fascism.

This is the desire of Monsanto and all the other biotech food companies!"

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less ~ I will not give an example because as I have already said this is part of Agenda 21. We need to be one of the biggest organic growing self -sufficient countries in the world and we could do it again, like during and after the WW2. Less animal farming and more acreage over to Permaculture and vegetables / food growth it would be amazing.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

It cannot be underestimated the plans to damage human health by these bio-engineered seeds and destruction of ' heirloom ' seeds !!!!

**Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

We are capable of wonderful bio diversity ~ we do not want GMO forests ( as is the future plan ) All life on earth evolved correctly ,we must play God with science.

**ii) disadvantages the UK national interest?**

I do not know of any ~ there's always human incompetence until all the world is run by robots ???

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

It should be taken regionally by the experts who live in those areas and in consultation with saner ways to grow plenty of food ~ like Permaculture and organics.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

It cannot as there is an Agenda being directed from the USA ,which means money and palms are no doubt being greased or threats are being made to individuals ~ We are not stupid remember.

**ii) disadvantages the UK national interest?**

Just watch Thrive the video and so many more on the using of Chemtrails over us. There are loads of video's and links to read about the "PLAN".

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

We must always stay independent but with goodwill negotiating with other non-EU countries is fair trade.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?"**



The single Common Market has been a complete ecological disaster, just look at the loss of habitat and wildlife and the pollinators by all the insane methods that have been dictated to by the Corporate Criminals over the years.

**ii) How could current arrangements be improved?**

It should be officially dismantled and more humane, enlightened way of supporting human life and their food needs be devised.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?** As above.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

Come on ~ Biofuel has proven to one of the most insidious persuasions to uneducated masses. By growing plants for bio-fuel, food stuffs have gone by the board .

We have known about "free energy" for over a hundred years but all such discoveries have always been suppressed, biofuels are not needed to the reduction of good food.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

I do not know the complete facts but once again imagine the "Big" corporations are behind it all, especially the American ones.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The opportunities are enormous if we remain answerable to ourselves and no-one else. Permaculture methods, organic and food /plants that are native to our climate and soils are the best and healthiest way forward for our UK nation.

Pandora's box has already been opened with GMO do not make it worse.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

90% Member State.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I would just like you to know there are 1000's of us that know what is going on and cannot be persuaded that any more 'takeover's' by the EU or the plans from the USA dictates are at all helpful to food growing production and we don't want it.

## **Gordon, Marc**

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes, but only as far as it's natural source and protection of potentially harmful hybrids.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

To the large corporations that control seed development and associated industries (pesticides etc.) there is possibly great financial benefits.

#### **ii) disadvantages the UK national interest?**

I am not aware of any benefits to customers, either the growers or the consumers, that are denied the choice of bio-diversity.

**Q3.** Not Answered

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Is there a proven risk to biosecurity, other than the introduction of GM seeds?

**Q5. - Q14.** Not Answered

### **Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Why is consumer health not raised as an issue within this document as agriculture is all about feeding our nation?

## **Gorman, Josephine, University of Leeds**

### **Leeds University Undergraduate submissions to the Review of the Balance of Competences**

Report Title: **What evidence is there that access to EU markets and adherence to common standards on agriculture benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

#### **A note on this submission**

This submission was made as part of an assessed piece of work for a final year module at the University of Leeds. "Britain and the EU" covers key historical events

and themes in the UK's relationship with the EU including non-membership to accession, debates over sovereignty, Parliamentary scrutiny, party politics and Euro scepticism. The module also explores key political issues (like foreign affairs and economic governance) to examine how European integration has influenced British politics and been influenced by them but does not provide detailed investigation into specific policies.

Students from this module presented work to the House of Lords EU select committee in its discussion of EU enlargement policy in 2013. This year's cohort has been asked to respond to one of four questions from the Review of the Balance of Competences. These reports were evaluated on the quality of the data collated, the argument and its presentation. These submissions are therefore presented not as expert opinions from practitioners but from an educated public that is both informed and engaged with the broader issues relating to the UK's relationship with the EU.

Module leader Charlie Dannreuther would like to express his thanks to the FCO Europe team for their cooperation and to the students for their extraordinary efforts in preparing these reports.

## **Report**

The aim of this report is to analyse what membership of the EU means for the national interests of the UK in regards to agriculture. This report will look at the advantages and disadvantages membership of the EU has on UK consumers and businesses both domestically and when exporting abroad.

The EU's Common Agricultural Policy (CAP) has recently been reformed. Under the new reforms there are three mandatory greening elements which farmers will have to comply to. They include: crop diversification (the three crop rule), the maintenance of permanent grassland and Ecological Focus Areas (EFA) (Europa 2013). These new reforms will be looked into.

### Disadvantages on businesses domestically

Greening measures within the CAP do not suit UK farmers as they do other EU member states, thus such measures will see UK farms become more inefficient in comparison to their EU counterparts. One example is the three crop rule (crop diversification) under the greening measures. The three crop rules states that 'all farms with more than 30 hectares of arable land will need to have three crops in the rotation. All those with between 10ha and 30ha will need two crops' (Pate 2013). Most of the evidence for this claim is anecdotal as there is no consistent British database to ask what the scale of the effect is. In terms of anecdotal evidence President of the National Farmers' Union Peter Kendall states:

*"I could find you some farms in Leicestershire which are predominantly livestock with 100 acres of barley, where they want the straw to feed the animals and bed them down. They have now got to have three crops. They have not got the storage, machinery or the flexibility to grow three crops. Yet, environmentally, on a 300-acre mixed farm in Leicestershire with 200 acres of grass and 100 acres of arable, I see*

*no reason why having three crops enhances the environment”* (House of Lords 2013).

In addition to becoming inefficient, Kendall can be seen to further suggest that the three crop policy in the UK will not have genuine environmental impacts, which it aims to do (House of Lords 2013).

EU membership has transferred national responsibility for important policies to common decision-making structures in collaboration with EU institutions and EU member states (Geddes 2013). In doing so national policies have ceased to exist, as EU policies override them anyway (Geddes 2013). Farmers thus cannot deviate away from greening requirements and cannot tailor their land to local conditions and circumstances which may enhance their productivity. If farmers do deviate away from greening requirements, penalties will incur.

From 2015, farmers will have to comply with compulsory greening requirements in order to qualify for 30 per cent of their Basic Payment Scheme payment. From 2017, compliance will qualify farmers for 50% of their Basic Payment Scheme payment, and in 2018 55% (Driver 2013). Farmers can further be subject to additional fines (Europa 2013).

Due to the limited flexibility within CAP, Stuart Agnew, UK independence Party MEP, believes British farmers would benefit more greatly from a British agriculture policy, rather than adopting a CAP that accommodates to 28 countries, countries that have different agricultural methods and cultural standards (Agnew 2013).

#### Advantages on businesses domestically

CAP has financial solidarity, in which all spending and expenses that are a result of implementing common agricultural policies are borne by the Community budget (Geddes 2013).

#### Disadvantages to businesses when exporting abroad

Under the three crop rule if farms are over 300 acres farmers will need to divide their crops into three. Some farmers will have to stop using all of their arable land to grow one valuable commodity, and divide their land by three to grow three different commodities (one valuable, the other two necessary under the three crop rule) which will affect the exportation of their valuable commodity. For example, farmers working in the highly valuable industry of malt and barley in Scotland would see their exports that come out of the Scotch whisky industry cut into a third of what it could produce by adhering to the three crop rule (House of Lords 2013).

#### Advantages to businesses when exporting abroad

The single market enables free trade with the absence of custom duties and tariffs. It also had a common set of rules so that businesses to not get bogged down with 27 different sets of regulations that they have to comply with (Euromove 2013).

Article 39 of the Treaty of Rome outlines objectives which benefit businesses when exporting such as *community preference* in which EU agricultural products are given preference and advantage over other imported products and stabilising markets (Geddes 2013).

When exporting abroad there is also a larger market for UK farmers to export to. British businesses have been able to expand their exports within Europe since membership. British exports to EU member states accounts for 51 per cent of their total exports, worth 200 million pounds, in comparison to the US which constitutes 13 per cent (Euromove 2013).

#### Disadvantages to UK consumers

The UK imports more agricultural produce than it exports than, for example, Spain, Italy, France (Thompson and Herari 2013). 90 per cent of UK food supply in 2012 was supplied by twenty four countries, the leading suppliers being the Netherlands (5.9 per cent), Spain (5.0 per cent, France (3.5 per cent, Irish Republic and Germany (2.9 per cent) (Department for Environment and Food and Rural Affairs, 2013). In importing more than it exports, the CAP inflates food prices for UK consumers (Thompson and Herari 2013).

Although the UK has seen gradual decline in food prices from 1980 to 2007, since 2007 food prices have increased by 12%. Successive spikes in the price of agricultural commodities have seen this increase. Since 2007 food prices have not returned to low price levels of pre-2007 (Department for Environment Food and Rural Affairs, 2013).

Anne McIntosh MP of the EFRA Committee argues greening regulations will reduce food production and thus increase food prices for consumers (McIntosh 2012). She further argues as greening measures will take land out of production, food security will also be reduced for consumers (McIntosh 2012).

Furthermore, in the past the UK agricultural sector has experienced a series of crises linked to its membership with the EU for example, to BSE, foot and mouth disease and horse meat being found in supermarket products. Stuart Agnew sees this resulting from working with member states of the EU where fraud and corruption are standard practices, and what they say is usually taken for gospel (Agnew 2013).

#### Advantages to UK consumers

As organic farms are exempt for greening measures, the CAP encourages increased organic food production. Since 2007 the sale of ethical produce (which includes organic produce) has increased 52%, from 4.2 billion pounds in 2007 to 6.4 pounds in 2011 (Department for Environment Food and Rural Affairs, 2013). Increased organic food production will allow organic food to be more accessible for consumers at a more competitive price. Organic food is also seen by some to be more beneficial to consumer's health

In addition to sourcing food products domestically, by sourcing food from a diverse range of stable nations, food security is strengthened (Thompson and Herari 2013). CAP further ensures British citizens high quality of food products and a wide variety of food products (Europa 2011).

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## Green, A

### **Q1. Should the EU have competence for agriculture and plant health?**

I think it is utterly and completely wrong that the EU should be able to dictate or make rulings regarding seeds and seeding intended for gardeners or allotments.

The new EU seed law should not be allowed to affect the sale of old heritage varieties and the traditional saving of seeds done by vegetable growers and gardeners all over this country.

Farmers and mass agriculture are big businesses and I can see they MAY be a need for regulation in the seed laws effecting them, but small scale production, gardeners and allotments are in a completely different league and DO NOT and SHOULD NOT require EU level regulation.

Apart from the benefits of keeping some biodiversity in the nations seed stocks should any future generations need to look at how agriculture works, it is clear for gardeners the "F1" type varieties often produced for large scale growing and mass harvesting and simply no use.

As I understand it when the new EU seed laws were proposed they was a public outcry both in the UK and elsewhere in the EU and a special exception was put in place for seeds meant for small scale/gardeners/allotments.

However the recent EU committees have completely ignored the needs of gardeners etc and intend to remove this exception and insist all member states enforce EU strict regulations on all seed production and sales.

Any seed varieties intended for small scale/gardener/allotment use should NOT have to be covered by this law. If it is allowed to be put in place and the UK does not take back these powers it may have drastic effects of future food production. It cannot be healthy for the number of varieties of seeds to fall, after all if all small scale growers are forced to use the same limited number of varieties also being used by farmers it vastly increases the chance of a new plant disease spreading from gardens to field

and back again possibly leading to large scale effects of food production and farming.

**Q2. - Q15.** Not answered

## **Gribben, Tomas, University of Leeds**

### **Leeds University Undergraduate submissions to the Review of the Balance of Competences**

**Report Title: What evidence is there that access to EU markets and adherence to common standards on agriculture benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

#### **A note on this submission**

This submission was made as part of an assessed piece of work for a final year module at the University of Leeds. "Britain and the EU" covers key historical events and themes in the UK's relationship with the EU including non-membership to accession, debates over sovereignty, Parliamentary scrutiny, party politics and Euro scepticism. The module also explores key political issues (like foreign affairs and economic governance) to examine how European integration has influenced British politics and been influenced by them but does not provide detailed investigation into specific policies.

Students from this module presented work to the House of Lords EU select committee in its discussion of EU enlargement policy in 2013. This year's cohort has been asked to respond to one of four questions from the Review of the Balance of Competences. These reports were evaluated on the quality of the data collated, the argument and its presentation. These submissions are therefore presented not as expert opinions from practitioners but from an educated public that is both informed and engaged with the broader issues relating to the UK's relationship with the EU.

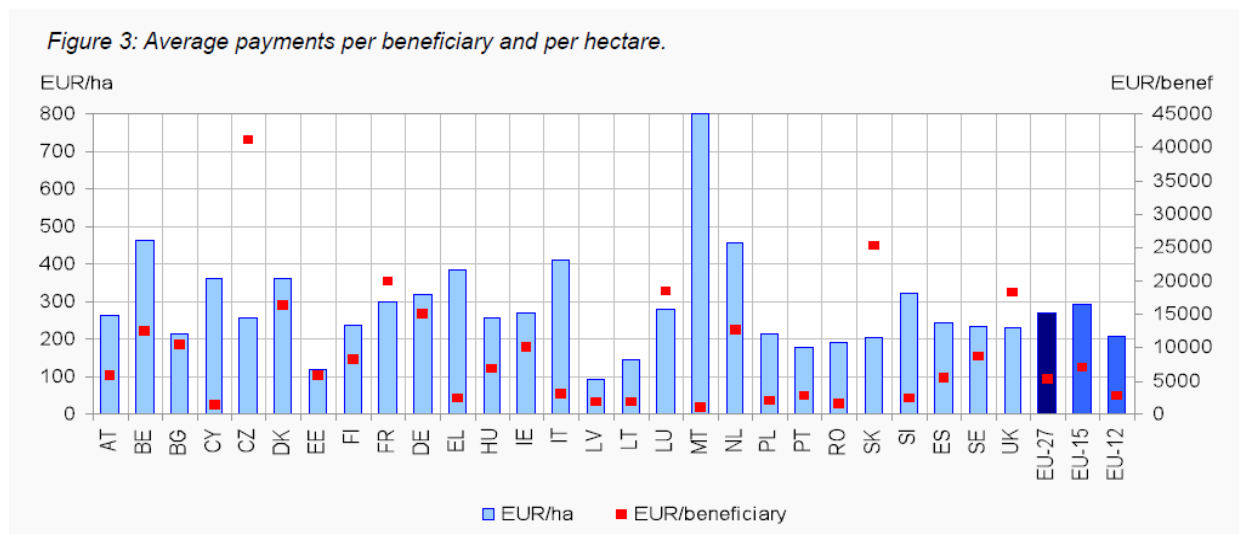
Module leader Charlie Dannreuther would like to express his thanks to the FCO Europe team for their cooperation and to the students for their extraordinary efforts in preparing these reports.

**What evidence is there that access to EU markets and adherence to common standards on agriculture benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

In order to address the question of how access to the European Union and Common agricultural policy affects producers and consumers, I will analyse both aspects separately. With the producers, I will analyse the ramifications of the single payments scheme, rural development funds and cross compliance standards. For consumers, the report will look into whether European Union membership results in lower or high costs for produce.



Figure 1 (European Commission, 2011, p.5)



### Producers

The single payment scheme represents the main source of funding for farmers in the European Union; it amounts to approximately 70% of the common agriculture policy budget by providing income support for farmers via direct payments. By analysing the amounts of direct payments issued to British farmers and EU farmers, it is apparent that the Single Payment scheme is beneficial to the majority of British producers. Figure 1 highlights the difference in direct payments between the UK and the EU15. Although the UK has lower average for direct payments in comparison to the EU-27 and EU-15, it does hold one of the highest averages per beneficiary. This indicates that EU membership is beneficial for farmers in the UK who own larger farms, but puts bigger strains on those who hold smaller farmer.

The average sizes of British farm holdings are typically much larger in comparison to their European counterparts. Figure 2 highlights that 52% of farmers in the United Kingdom own land holdings between 30 hectares and over, whilst in the EU, this figure is only 9.2%. 39% of United Kingdom farmers have between 5 and 30 hectares of farming land while other European Union farmers amount to 21.5%. A significant proportion of farmers in the European Union, 69.3% own between 5 hectares or less, whilst only a minority of 9% of UK Farmers hold this amount land. The agricultural consensus reinforce this point and highlights “The average size of an agricultural holding in the United Kingdom (90.4 hectares) was a little over six times as high as the EU 28 average in 2010” (Albertone et al., 2013, p.27-28). These findings reinforce the point that direct payments are beneficial for the majority of farm holders in the United Kingdom due to the nature of their size.

Figure 2 (Albertone et al., 2013, p.27)

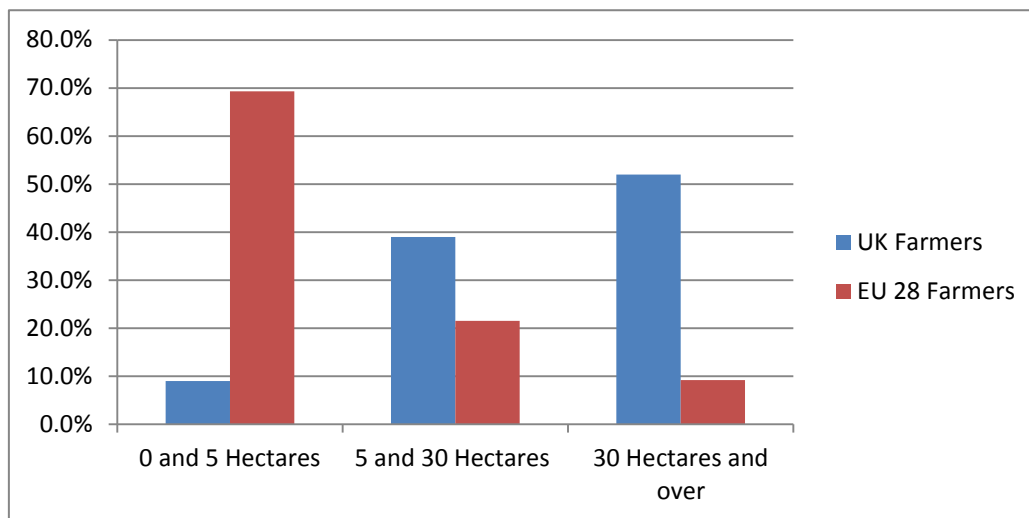
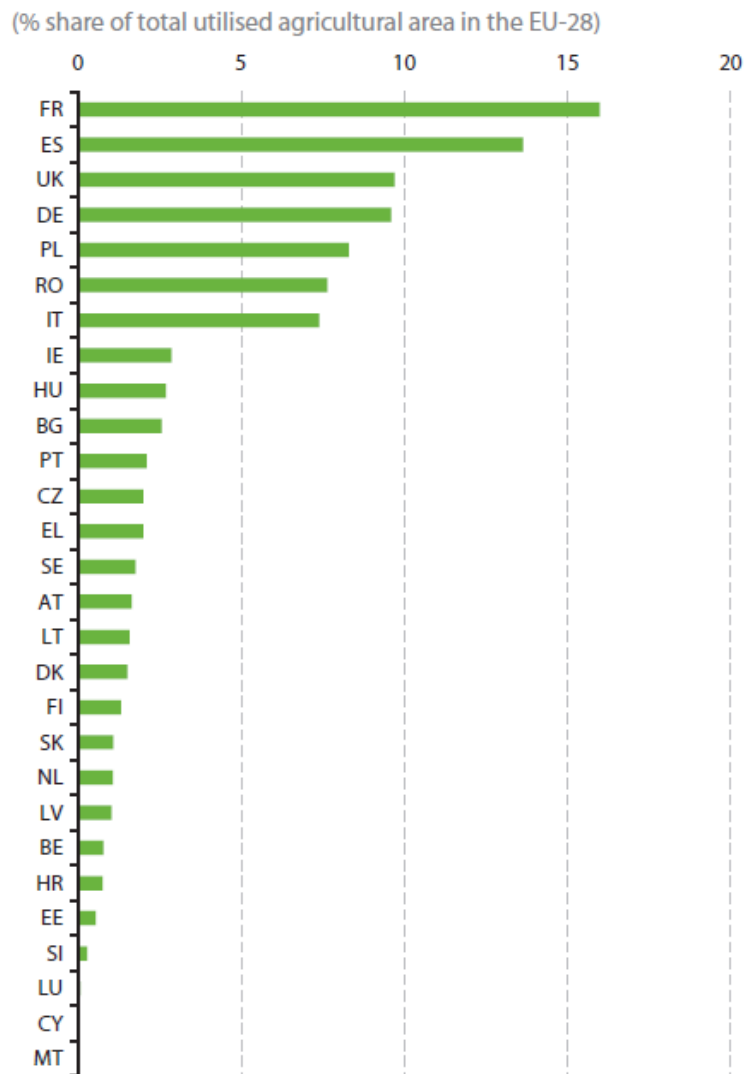


Figure 3 (Albertone et al., 2013, p.34)



Source: Eurostat (online data code: ef\_oluft)

## Rural Development Funds

By analysing Britain's percentages of total utilised agricultural area within European Union against the percentage of funding that countries receive for rural development, it is apparent that the United Kingdom receives the least funding per hectare. Figure 3 highlights the percentage of utilised agricultural area held by each country during 2010. The four largest stakeholders by nation state were "France (16.0 % of the EU-28 total), Spain (13.6 %), the United Kingdom (9.7 %) and Germany (9.6 %). (Albertone et al., 2013, p.34)

Figure 4 (The Scottish Government, 2013, p.4)

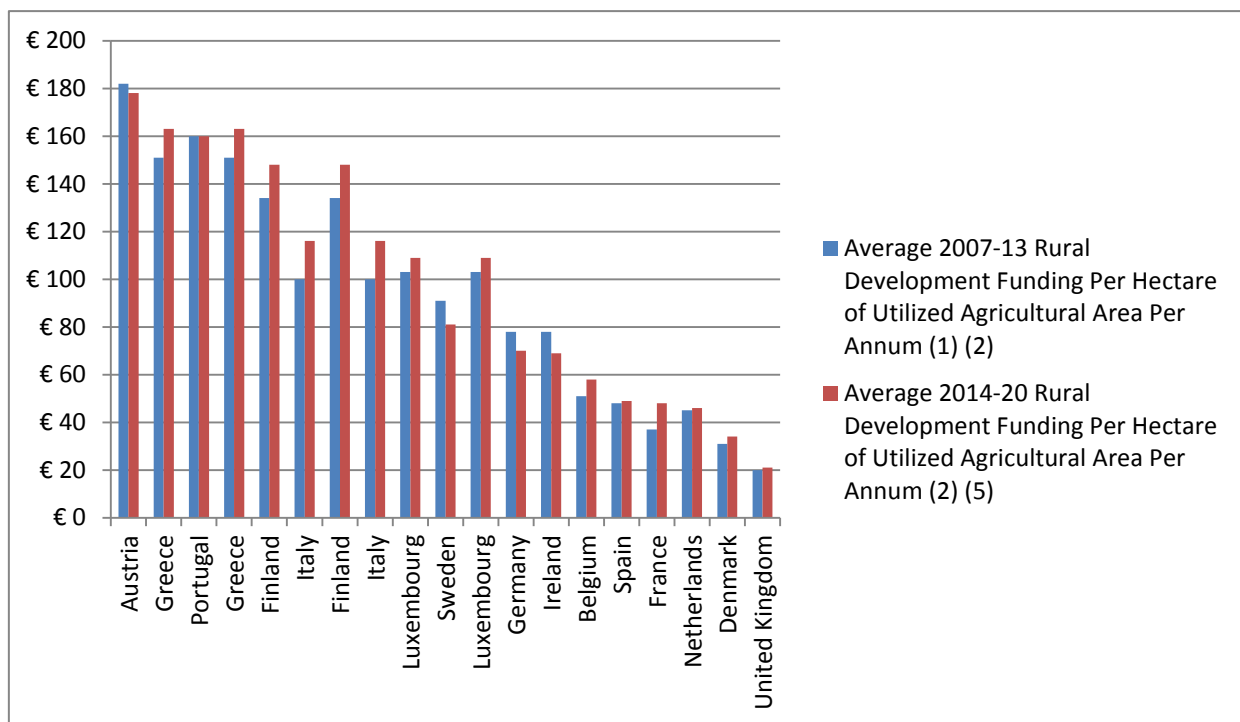


Figure 4 highlights the discrepancies between the amount of rural development funds allocated per hectare between the EU15. Despite representing 9.7% of land utilised for agriculture within the European Union, the third largest holding, the United Kingdom receives the smallest amount of funding per hectare on average since 2007, and is set to do so until 2020. France is estimated to average around "48" (The Scottish Government, 2013, p.4) euro per hectare, Spain "49" (The Scottish Government, 2013, p.4) euro a hectare and Germany "70" (The Scottish Government, 2013, p.4) euro a hectare, whilst the UK will receive "21" (The Scottish Government, 2013, p.4) euro per hectare.

Building on the concerns of rural development funding, the United Kingdom is also affected by voluntary modulation. Modulation is the scaling back in direct payments to farmers, as pillar 1 funding is transferred to towards pillar 2 to support its activities. As of 2012, Compulsory modulation rates in the EU were "0%" (European Commission, 2014) for farmers who received under 5,000 euro, "10%" (European Commission, 2014) for over 5,000 euro and "14%" (European Commission, 2014) for over 300,000 euro. Portugal and the United Kingdom are the only two nation state

which participated in voluntary modulation. Voluntary modulation combined with the compulsory European rate for modulation will equal “19%” (DEFRA, 2009) in England, “11.5%” (DEFRA, 2009) in Wales, and “14%” (DEFRA, 2009) for Scotland and Northern Ireland. This highlights how Farmers in the United Kingdom are disadvantaged as it places an unequal burden upon them in contrast to it’s European counterparts as they have a significant reduction in their pillar 1 income. A study conduct by an OECD workshop stipulated that “farm types where pillar 1 direct payments make up a high proportion of income are likely to experience a greater negative impact on farm incomes” (Moreddu, 2011, p.276). Building on this, it concludes that “modulation tends to lead to a redistributive of funds from larger to smaller”(Moreddu, 2011, p.281). As British farms have a tendency of owning larger farmers, this could have negative ramifications for the majority of UK farmers. Another potential issue with voluntary modulation is the prospect of unfair advantages within the United Kingdom as Farmers in England would have to pay 7.5% more than Welsh farmers and 5% more than Scottish and Northern Irish farmers.

### Cross Compliance

The funding for direct payments and rural development funds are regulated by cross compliance via statutory management requirements (SMR) and Good agriculture and Environment conditions (GAEC). Failure to comply with these standards can result in reduction to funding. Figure 5 highlights how between 2006 and 2012, there has been an increase from 1289 reductions to 1501 by 2012 of individuals being sanctioned by GAEC and SMR.

Figure 5 (Rural Payments Agency, 2012-2013).

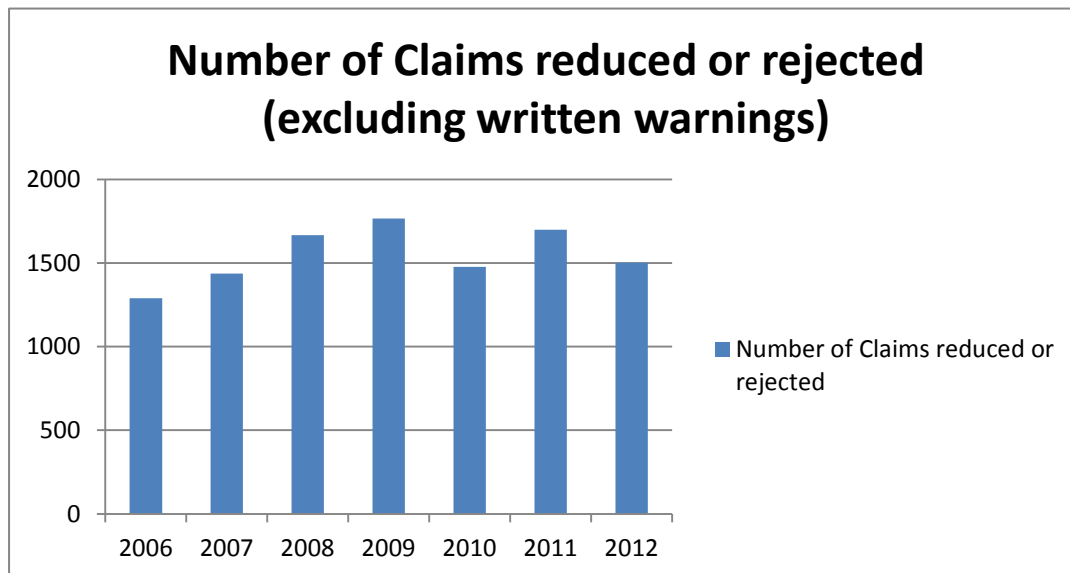


Figure 6 highlights that between 2006 and 2012, the most common breaches of SMR occurred with SMR7 which related to cattle identification and registration. Although there was a large reduction between 2011 and 2012 by 603, it is still the most common breach.

Figure 6 (Rural Payments Agency, 2012-2013)

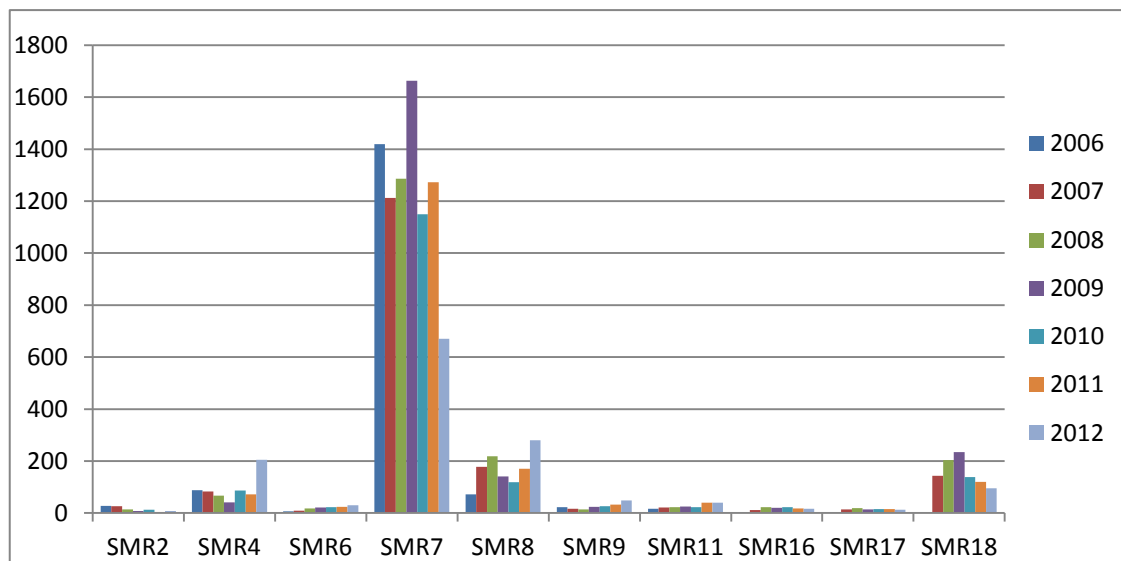


Figure 7 highlights the failures of SMR between 2006 and 2007 in relation to farm size in the United Kingdom. Farms classified as small or very small were the main offenders for breaches of SMR7/8. This indicates that the common standards imposed upon farmers in the United Kingdom should not be an issue for most, given the findings in figure 2 which highlighted the larger farm holdings, whereas the the minority of smaller farmers do struggle with cross compliance standards. Figure 8 reinforces the point that regulations poses the biggest issue to smaller farm holdings as it identifies that small and very small farms were most likely to Breach GAEC1 (Soil management and protection). The study conducted highlighted that “the largest number of failures for GAEC1 were by lowland livestock farmers.. (mainly small livestock farms), rather than arable farms, despite the fact it is probably considerably easier for livestock farmers to complete” (Adas, 2009, p.20). The evidence from both figure 7 and 8 indicate that the cross compliance standards imposed on British farmers affect those with the smallest holding to a greater extent.

Figure 7 (Adas, 2009, p.17)

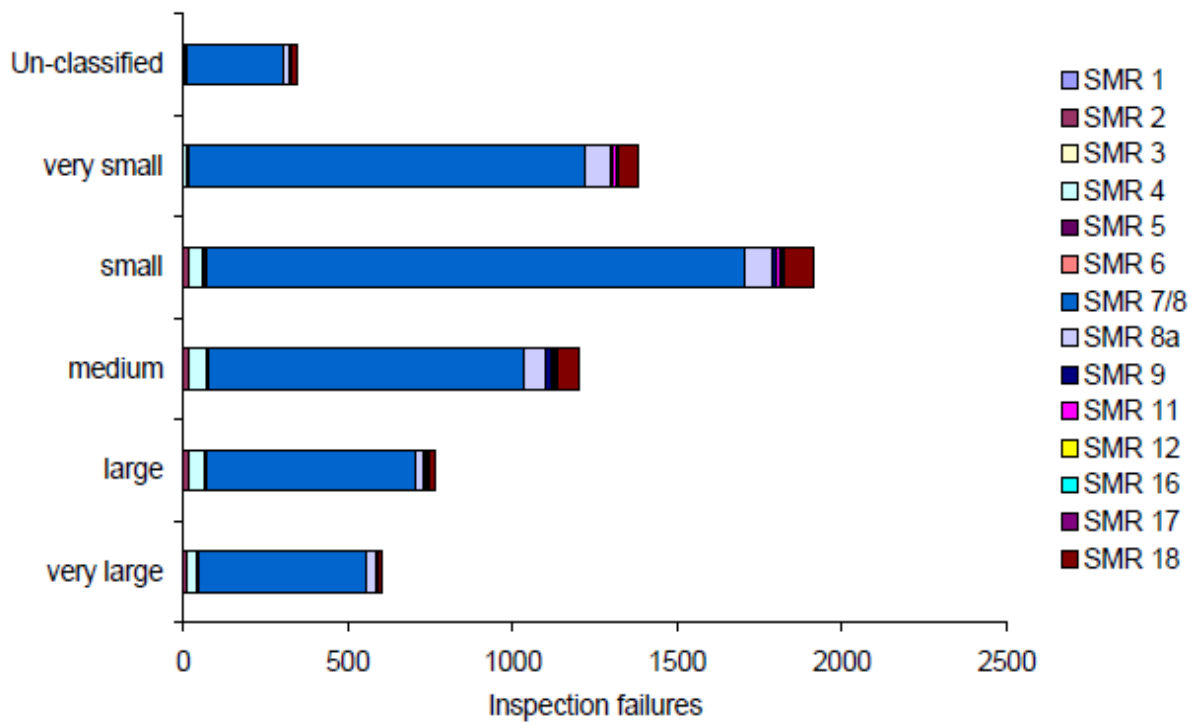


Figure 8 (Adas, 2009, p.19)

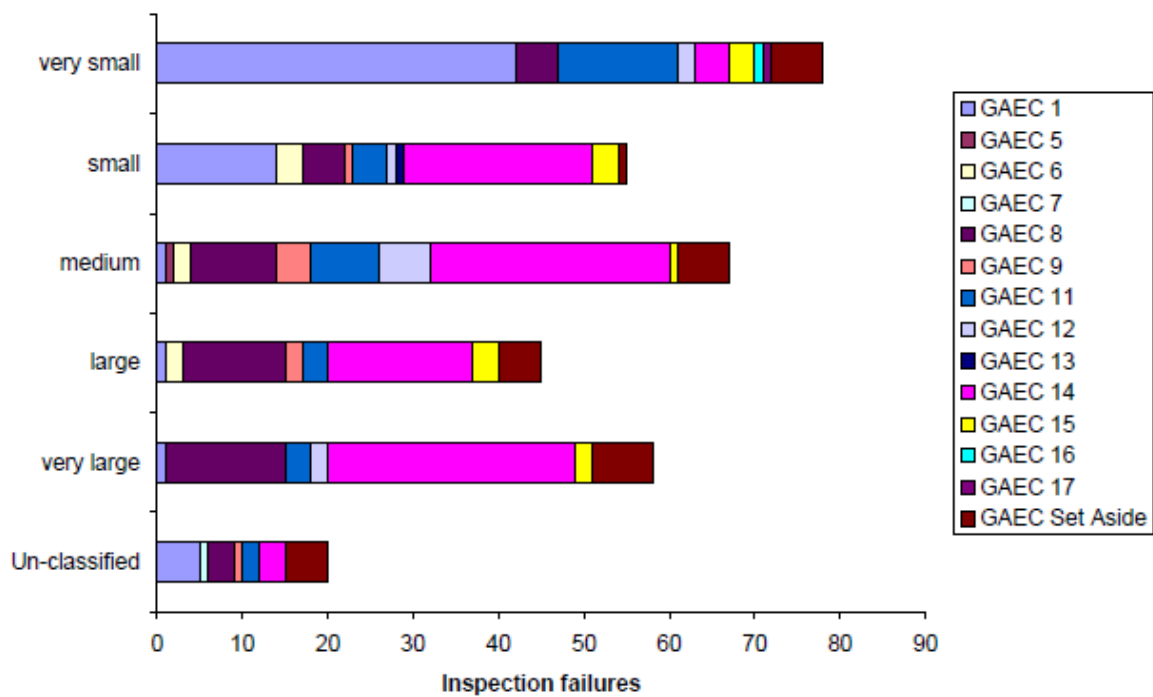


Figure 9 (Albertone et al., 2013, p.63)

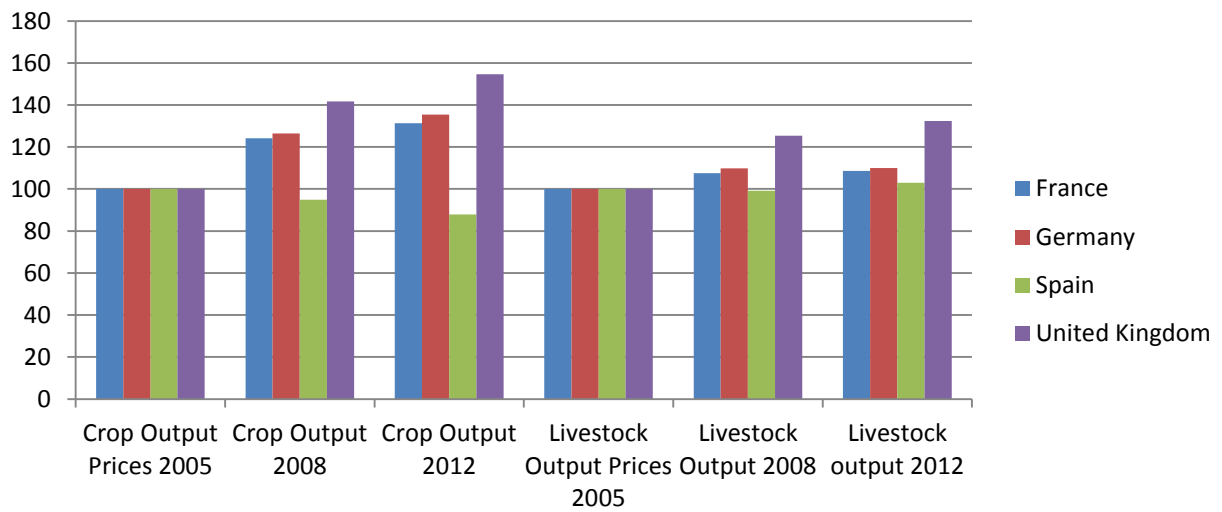


Figure 10 (Albertone et al., 2013, p.63)

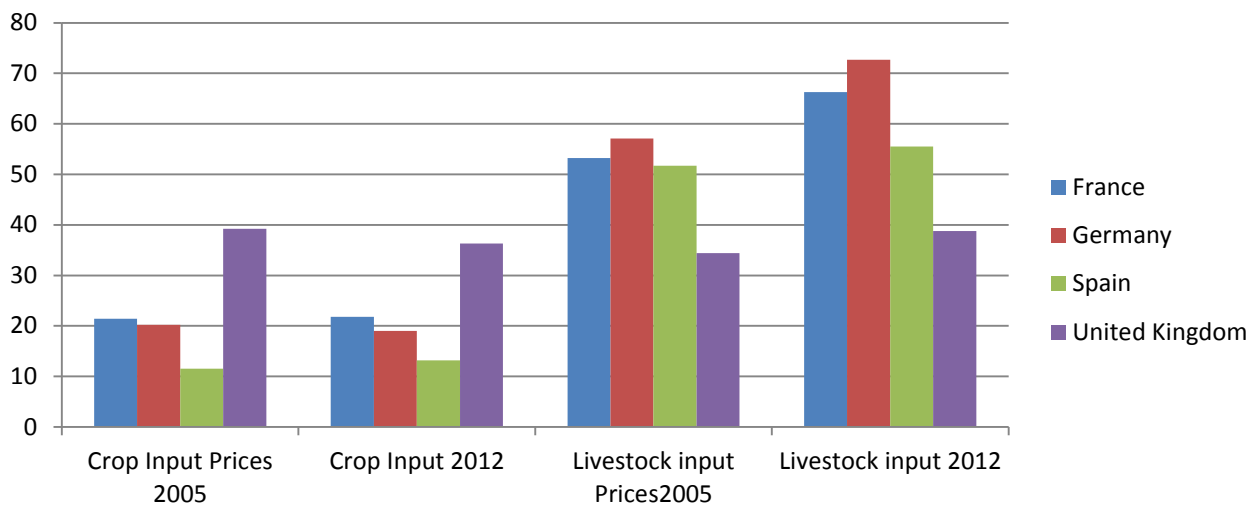
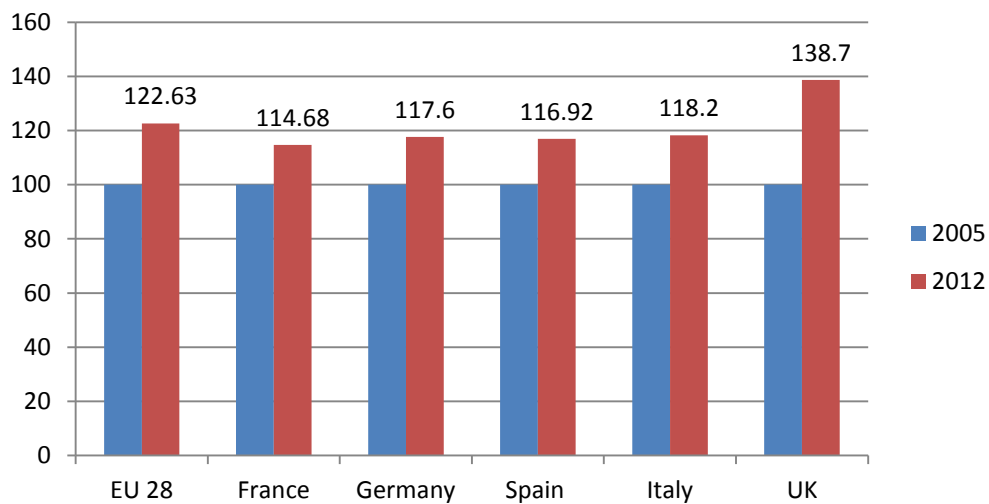


Figure 11 (Eurostats, 2013)



## Consumers

One of the biggest concerns in regards to British membership within the European Union is the manner in which it can inflated prices for consumers and producers. Curry highlighted how common agriculture policy could “divide producers from their markets, distort price signals and mask inefficiency”(Curry, 2002, p.20). Figure 9 highlights how output prices in the UK have risen significantly, particularly in contrast to European counterparts. Since 2005, UK output prices for crops has risen 54.6% and 32.3% for livestock, whilst in Germany 34.5% and 10%, and in France by 31.3% and 8.6% respectively. Figure 10 reinforces Curry concerns as it indicates how Britain has lower input prices for livestock compared to Germany and France, and that between 2005 and 2012, livestock prices have only risen 12.7% to 38.8 for the UK, whereas Germany has had a larger increase by 27.3% to 72.7 and France 24.6% to 66.3. This highlights the economic ramifications of EU membership on British consumers as despite farmers having lower costs for the production of livestock, this has not translated into cheaper prices.

The harmonised indices of consumer prices highlights how inflation has effected consumers significantly more so in the United Kingdom than other European countries as it has had a larger growth of inflation for food produce since 2005. The rate of inflation for food produce in the UK during 2012 was 138.7 which was higher than the EU average by 16.07. This indicates that British consumers have higher costs for food produce when compared to other European nations such as Germany which was 117.6 or 114.68 for France.

## Conclusion

From the report, it appears that British membership with the European Union and is beneficial for British producers with larger farm holdings as they receive one of the highest averages per for direct payments. The report has highlighted that cross compliance standards imposed on British producers affect those with the smallest holdings the most, however due British farmers being larger than their European counter-parts, this indicates that common standards should not be an issue for most. However there is evidence to highlight significant disadvantages such as the lowest rates of funding for rural development funds. In regards to consumers, the report suggests that European Union membership hinders British consumers. It clearly illustrates that despite lower input prices for producers, the United Kingdom maintains one of the higher output costs which in turn could translate into higher prices for consumers as well as maintaining one of the highest rates of inflation for food produce.

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## Green, Colin

### **Q1. Should the EU have competence for agriculture and plant health?**

I have gardened for over thirty years. I don't want to grow plant varieties developed for the modern farmer. I want to be able to choose from a wide range of garden varieties suited to my needs. This range has already been reduced and restricted more than it should have been. It is my strong belief that the EU should not have competence for plant reproductive material intended for gardeners. Individual citizens' gardens and allotments are totally different to vast mechanically worked farms. The UK gardeners' needs are best met by Defra; we don't require strict EU-level regulation.

**Q2. – Q15.** Not Answered

## Greening, Joanna

### **Q1. Should the EU have competence for agriculture and plant health?**

I believe that Agricultural and Plant Health competency should lie with each sovereign state, allowing for co-operation and information sharing between states when required, such as Ash Dieback and Foot and Mouth etc.

The EU does not need to overarch Defra.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** I can find little evidence of this.

**ii) disadvantages the UK national interest?**

I believe that certain countries benefit more from the EU's CAP regulations than others, e.g. in France, a 'Farm' can be little more than an acre or two of smallholding, and that quota's hinder rather than help our own farming community.

The ongoing legislation regarding plant reproductive material (seeds) is ludicrous, aiming equal regulation at farming crops and small garden growers despite vastly different needs from their seed stock.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

I believe that the UK is perfectly able to champion its own food and farming sector without guidance from elsewhere, and would actively encourage greater self-sufficiency for the nation.

I am delighted that Rape Oil is now challenging Olive Oil as a superior oil; our farmers can be competitive and entrepreneurial without EU 'guidance'.

The latest horse meat incidents have proven that the EU regulations are open to mal-practice!!

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

In or out of the EU, I cannot believe that other European countries would successfully direct their citizens to not supply goods to us, or to buy from us, so having a single market is irrelevant. The French show that the single market can be manipulated, as it is!

Free trade in plant products without control will increase the risks of importing disease or pest vectors, such as Dutch Elm disease.

**Q5. What evidence is there that the current competence over forestry policy:  
i) benefits the UK national interest?**

I have no strong knowledge of this, only that the reduction in funding to the Forestry Commission cannot be a benefit in the long run.

**ii) disadvantages the UK national interest?** See above.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I strongly believe that all issues concerning plant and animal health should be governed nationally (DEFRA?), but that each region should then have their own Action Plans, such as those in District Councils with regard to Planning.

Hill Farms cannot be managed and supported in the same way that a Middle England large arable Farm might be, and co-operatives of Farmers are far better able to adapt and respond to change locally without red tape from above. Greater use of local seasonal produce and less reliance on imported produce is both sensible and desirable for all sorts of reasons, not least fuel consumption.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** There is little.

**ii) disadvantages the UK national interest?**

As anything that encourages UK national interest is seen as Populism by the EU, (and therefore something to be snuffed out, not being good Europeans and all that), I cannot see that the European Parliament should have any competency regarding decision making other than to facilitate trade amongst willing states.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these arrangements and the EU's role in negotiating them help or hinder the UK national interest?**

Are not UK Politicians and Civil Servants able to negotiate trade agreements? Do we really need to be hand-held by the EU?

I am sure New Zealand was not happy when our joining the EU meant we suddenly reduced demand for their lamb!

It seems that being in the EU and the UK national interest are mutually exclusive concepts.

**Q9. Considering the Single Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

The idea of a common market is laudable, but when regulation and legislation suppress local provision and need, it fails.

Part of the problem is that the UK diligently enforces all rules to the best of its ability whilst other EU states turn a blind eye.

I have witnessed farming practice in several EU countries that would be prosecuted over here, and the produce in local markets abroad would not be deemed fit for consumption here in the UK. The level playing field is anything but!

In Germany, smoking in places where food is prepared and served is commonplace; the Germans all refused to heed the directive and that is that!

**ii) How could they be improved?**

It could be scrapped! We live in a global world now.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Horsemeat scandal.

Ash Dieback.

Foot and Mouth.

I understand that plant health passports are only applicable for non-EU imports. This cannot be a benefit to us as an island, as once a pest/virus is here it is difficult to eradicate, and passporting goods is a useful tool to this end.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

No evidence.

Setting clear quotas for biofuel production that reduces food crop production is questionable, and will not have positive effects on food costs. Biofuel production can be from non-food crops, e.g. algae, and this should be the main focus for production.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

I believe direct payments to UK farmers have been delayed for long periods of time and have led to farmers going out of business. Was the delay in the EU or the UK?

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Increasing population and food security will become serious factors, as will water supply. If EU quotas are too restrictive and lead to food etc being disposed of, such as milk being poured away due to quotas having been met, or fish discarded for similar reasons, the illogic of this will eventually have to be squared against morality, as will the increase in food banks across the EU.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Any action that is constructive must be encouraged, but when it becomes inflexible and one size fits all, it is flawed.

The UK must have control over its own agricultural and food production policies, as only by being pro-active rather than responsive can the country thrive. The opportunity to export must be there only after national demand has been satisfied. If the product is good enough, the world will buy. But the world should not dictate what, or when.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

It seems strange that DEFRA are asking about how much they should or shouldn't be in control of UK Policy, as they ARE a Government Department surely?

Or is Government a loose term these days?

The UK Farming and agricultural community have long been the backbone of the nation. There seems to be constant need for progress and reform; such progress since the 1950's has lead to a decimated rural scene. What was wrong with farming for the local community by the local community?

How can anyone far removed from our shores have the right and unchallenged support to dictate our legislation? DEFRA should be the Champion of Farmers, not a second fiddle negotiator.

## Haemolytic Uraemic Syndrome Help (HUSH)

Our response to the following questions is only on the basis of consumer protection, as other NGO's and organisations are far better placed to argue in relation to such issues as the Common Agricultural Policy and other questions in your consultation.

### **Q1. Should the EU have competence for agriculture and plant health?**

HUSH believe that the EU should have competence for agriculture and plant health.

Our reasons are quite simple

A) When BSE was first suggested as being able to pass from animal to man we believe that the Government of that day and some Government Departments suggested this could not possibly happen. How can we therefore trust ourselves or any other member state solely not to do what is in their best commercial interest, rather than that of the consumers in the EU etc?

B) In 2013 COMMISSION REGULATIONS (EU) No's 209 - 211/2013 on seeds for sprouting were introduced due to an outbreak of E coli O104 H4 in Germany and France in 2011 which resulted in 3,000 reported cases and over 40 associated deaths within the EU. In the UK 17 cases were identified. This we believe clearly demonstrates the need for a collaborative approach in all matters relating to the producing and production of food to ensure the safety of the consumer. Also it can help stop disagreements between member states, as under Regulations applicable to all states they should be playing at a level field, provided enforcement of the Regulations are ensured by the EU and all member states.

C] Also between December 2010 and July 2011 in Great Britain there was also a separate outbreak of a particular subtype of *E. coli* O157 known as Phage Type 8 (PT8), associated with the handling of raw leeks and potatoes which we believe resulted in 250 cases. The outbreak investigation results into this were based on statistical research, therefore we believe that they may not be accurate as they could have been, as the cause for this outbreak was not scientifically proven. Also we believe that the public were not made as aware of it as well as they should have been, when the authorities first became aware there were 50 reported cases as early as February 2011 due to it.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

HUSH believes that Regulations brought in by the EU have benefited the consumer in relation to improving consumer safety. Yes there is still a considerable way to go but we believe that this joined up approach benefits not only one member state but all member states, and those exported to outside the EU. We believe that the term “Better Regulation” by Government means little or no regulation. Food requires strict regulation as we all require to eat or drink it, to live.

**Q3. Do you think the UK’s ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

We believe that the UK can only champion a competitive food and farming sector within the EU. For example we should be putting the case forward in Europe that dairy milk farmers are given a higher price for milk that is produced for pasteurisation, as currently they are finding it hard to survive, given the price they are given for their product. Also it would help ensure the sustainability of this sector.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

We need biosecurity across the EU and the same level of assurance from anything brought in from outside.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

As we are in the EU we should work together with the member states. There are certain exemptions that are allowable in EU Regulations after discussions and agreement. These can be allowed at National level in a member state. Not to work with the other member states will we believe lead to mistrust and will effect business relationships with other member states. Also we believe it will not be in our national interest to consider leaving the EU.

Although we have not responded to the Call for Evidence on Fish, our position remains the same as for this Call for Evidence on Agriculture.

**Haggett, David**

**Q1. Should the EU have competence for agriculture and plant health?**

EU Regulations should only apply to large scale farming. Seeds and plants for home garden use in the UK should be controlled by UK laws.

The application of EU regulations to small scale seed production will limit the choice of individuals to grow varieties of vegetables and fruit that are otherwise unobtainable.

**Q2. – Q15.** Not Answered

## Hardcastle, Linda

### **Q1. Should the EU have competence for agriculture and plant health?**

EU regulations should only apply to farming. Plants and seeds for home gardeners should be controlled by UK laws.

**Q2. - Q5.** Not answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Big decisions regarding commercial production should be made by EU, but seeds and plants for home gardeners should be the responsibility of the UK

**Q7. – Q8.** Not answered

### **Q9. Considering the single Common Market Organisation:**

#### **i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

That depends on how many crops are thrown away

#### **ii) How could current arrangements be improved?**

Stop throwing food away give it away to people who need it

**Q10. – Q14.** Not Answered

### **Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Just be fair, we are a nation of gardeners lets us continue to have the availability of choice with regards to seeds and plants for the home garden.



## Hasek, Harry

### **Q1. Should the EU have competence for agriculture and plant health?**

Do not try and control nature.

**Q2. - Q14.** Not answered

### **Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I want to help put together permaculture food forests in the future, I am 18 now. Don't mess that up for me please.

## Hayes, Georgia

### **Q1. Should the EU have competence for agriculture and plant health?**

No. I don't want other countries to prevent us using our own seeds in non commercial situations and I believe this is about to be legislated for.

**Q2. - Q15.** Not answered

## Heard, Sandra

### **Q1. Should the EU have competence for agriculture and plant health?**

As an allotment gardener, I would like to continue to have access to a wide variety of seed to suit needs and local conditions. I do not wish to see seeds outlawed or die out because of expensive and bureaucratic registration processes at an EU level. I believe seed regulation for home gardeners needs to be under UK control.

**Q2. – Q15.** Not Answered

## Herbertson, Gemma

### **Q1. Should the EU have competence for agriculture and plant health?**

No, I feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation. Also school gardens - how will school children learn the entire re-productive cycle, if part of it always has to come out of an EU sanctioned packet?

**Q2. – Q5.** Not answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Maybe governance is not needed at all in some instances e.g. if I choose to plant seeds in my own garden, or if my neighbour gives me some seeds from a beautiful plant. On one scale I can see how this initiative might stop strains of invasive plants coming into the country (like e.g. Himalayan Balsam plant once did). However, at the other end of the scale, it could become a ridiculous law - governing areas (back gardens, allotments, school gardens) which do not need this amount of governance.

**Q7. – Q15.** Not Answered

## **Hedley, Natalie**

**Q1. Should the EU have competence for agriculture and plant health?**

No. I am a farmer & a keen home gardener so have full knowledge and direct experience of the issues concerned; the EU have proven time and again to be an inferior legislator in this area, demonstrating fundamental lack of understanding of agriculture in the UK.

**Q2 – Q15.** Not Answered

## **Hendry, Ann Marie**

**Q1. Should the EU have competence for agriculture and plant health?**

The EU should NOT have competence for plant reproductive material intended for gardeners. Gardeners have entirely different needs to commercial agriculture businesses, and don't require strict EU-level regulation.

**Q2.** Not Answered

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

It would benefit from less EU action. With regard to home gardeners, strict regulations on plant reproductive material will be costly and involve unnecessary bureaucracy. It will make it harder for people, including low-income families to grow a small amount of their own food and benefit from exercising outdoors.

**Q4. - Q15.** Not Answered

## Hill, Professor Berkeley

### Q1. Should the EU have competence for agriculture and plant health?

From an analytical perspective, the case for EU competence hinges on the 'value added' that operation at the EU level brings; it should involve benefits (including avoided costs) that are not possible by actions organised at the national level. Such EU competences will depend on at least one of the following being present:

- **A degree of market failure**, Thus, many environmental issues (and plant and animal health issues) are better handled at EU level, and the establishment of a single market to increase productivity, specialisation and exchange in the interest of the community as a whole will need the exercise to bring it about to be organised at EU level.
- **Where there are shared equity goals**. For example, and agreement at EU level to balanced regional development may need CAP and rural development decisions to be taken at EU level.
- **Where there are shared political economy objectives**. For example, the aim of CAP reform has to be organised at EU level, as do the changes in the CAP necessary to facilitate enlargement by the entry of new Member States.

### Q2. What evidence is there that the EU approach to agriculture:

i) benefits the UK national interest?

ii) disadvantages the UK national interest?

An important distinction must be drawn between, on the one hand, what is in the interest of the **UK as a whole**, and, on the other, what is in the interest of the **UK agricultural industry** (though this is subject to a variety of definitions which can be based by sector or relate to the individuals or firms that are engaged in farming, horticulture and farm forestry, many of whom are pluriactive and have economic interests in other forms of productive activity). Also, the agricultural industry is so heterogeneous that producers on farms of different sizes, types and structures would be affected differently; there is a whole array of 'agri-cultures'.

Developments that can benefit UK agriculture are not necessarily in the broader national interest; a good case exists that CAP reform which aimed for a more market-orientated agriculture and used more targeted support would be preferable to the present approach from the perspective of the whole economy. Direct payments that were redirected towards farmers who were in income need and away from Basic Payments that are related to farm size (through historic entitlements or area) would be in the interest of consumers and taxpayers (principally because it would be compatible with lower food prices and lower taxation). However, this would probably not be in the interests of the agricultural sector as a whole (because there would be a reduction in payments to larger farms, who dominate the pattern of receipts).

However, some UK farmers (typically those with the most severe income problems) could well benefit from this reform.

The extent of the low income problem among UK farm households is not well documented, and is even less so in some other key Member States (see Hill 2012)<sup>36</sup>. However, it appears that farmers are not an income-poor section of society in the UK (and elsewhere) and that they are typically high wealth. Bearing in mind the fluctuating nature of incomes from farming (so that single years are no good guide of the longer-term income position of the household or of farm viability) it seems that the number of core cases with persistently low incomes could be quite small. It could well be more appropriate to deal with their problems using the general welfare net that is provided for society than for a specialist policy for agriculture, especially as the latter involves so much deadweight. This is not to deny that there is need for a continuing system of payments for the delivery of environmental services, but there could be substantial cost savings from moving away from the present system of support.<sup>37</sup>

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

There is much confused thinking when it comes to competitiveness in the agricultural sector. While the UK (supported with EU funds) has a group of measures designed to improve the competitiveness of its farmers, this tacitly assumes that the present structure of agriculture and its present cohort of farm operators should continue. A far more radical approach (which applies in the food retail sector) would be to point to the present structure of farming as being one of its sources of inefficiency. Analysis of Farm Business Survey results shows the wide range of technical and business performances, and this is likely to be an underrepresentation of the situation as a whole (because of the nature of the FBS sample). The central issue then becomes one of how the poor performers are eased out of the industry. Removing Basic Payments from farmers, leaving to depend on market returns and payments for providing environmental services, would achieve this end, by competitive forces causing the least viable operators to exit, though at some political cost in the short term for the government. The farms left in the industry would then be truly competitive, reflecting not only their technical and business abilities within agricultural production but also the use of their resources in other activities by diversification on and off the farm and by the use of labour in pluriactivity (a pervasive characteristics of agriculture in many OECD countries but under-recognised within policymaking circles).

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<sup>36</sup> Hill, B. (2012) *Farm Incomes, Wealth and Agricultural Policy* – 4<sup>th</sup> edition, CAB International.

<sup>37</sup> Hill, B (2013) *Reducing Waste In Public Expenditure - The Potential Within The Common Agricultural Policy*. Paper presented at the 87th Annual Conference of the Agricultural Economics Society, University of Warwick, United Kingdom

Some attempts have been made to predict the extent of exit by simply deducting the value of direct payments from revenues in accounts covered by the Farm Business Survey. However, this is a crude approach that gives a misleading set of results because it assumes that production patterns are inflexible. A study for Defra (Hill 2009<sup>38</sup>) has showed that farmers have demonstrated a remarkable ability to adapt to changing circumstances and, given notice of, say, five years, the simple announcement of the termination of direct payments would be expected to bring forth many changes in input use, output mix and factor costs (not least land rents and prices) that would cushion much of the revenue loss. The study concludes that timely announcement is preferable to other paths, such as the introduction of temporary transitional aids.

**Q4.** Not answered

**Q5. What evidence is there that current competence over forestry policy:**

**i. benefits the UK national interest?**

**ii. disadvantages the UK national interest?**

The answer to Question 1 above suggests that a greater degree of EU competence in forestry should only be considered where there are issues of public good involved, such as environmental externalities and markets in timber.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The answer clearly depends on (a) which aspect of the CAP is being considered and (b) whether the CAP is assumed to retain its present shape or whether it is allowed to be more radically reformed. Already, on both CAP Pillars there is room for considerable flexibility of geographical differentiation by UK country, and Pillar 2 provides for a possible further (sub-) regional level of programme design and application to meet more local needs. Surely the guiding principle is to match the level of decision-making to the issue in hand. In a Single Market decisions have to embrace the entire territory (the EU), and some environmental decisions also have to be at that level. For issues that are more local, the system of an international framework combined with the opportunity to tailor to locality may be useful; the framework ensures consistency in aspects that might lead to distortions in competition or environmental impact. However, there seems little reason why the provision of non-productive assets in pursuit of greater public access (such as stiles over field fences) should involve anything other than local decisions.

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<sup>38</sup> Hill, B. (2009), *Review of Transitional Arrangements to Facilitate Policy Reform and Their Possible Relevance to Dismantling of the Single Payment Scheme*, Policy Review Paper for Department for Environment, Food and Rural Affairs, London.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i. benefits the UK national interest**

**ii. disadvantages the UK national interest?**

It would be hoped that, in the long term, the European Parliament would take a less sectoral view of issues, and that decisions will no longer be shaped by the agricultural Directorate of the Commission and the Council of (agricultural) Ministers, both of which have tended to be pro-farmers and in favour of the status quo, rather than embracers of radical reform. Given the relatively short time in which the 'ordinary legislative process' has operated, it is too early to make a judgement. Also the views of the European Parliament have shifted in the past, and any new Parliament may take a different stance from the current one. There are also issues about what is 'national interest' (mentioned above).

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

In the long term, freer trade is preferable. There are reservations on issues of health, security etc. that can be argued for rationally and for which trade restrictions (permanent or temporary) can be justified. In that the EU is, internally, a free trade area in agricultural commodities and many others, it is appropriate to seek further agreements on an international level by the EU as a whole. There may be a problem if the EU does not proceed as quickly as the UK might wish, perhaps because of concerns by other Member States of the impacts on their domestic agricultures. Such situations are unlikely to be resolved by the UK making its own agreements with third parties.

It should be noted that CAP reforms and freer trade that are in the national UK interest are not necessarily in the interest of the UK farming sector alone.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

Improvement would come from the phased removal of any payment for which there is not a clear and identifiable outcome that brings a public benefit. This would lead to the removal of the Basic Payment but the continuation of payments for the provision of environmental services (agri-environment) and other payments associated with the provision of public goods (such as advice and training where there was public benefit, though not where there was only private benefit at the farm level).

**Q10 - Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

If the UK is serious about achieving a market-orientated and internationally competitive agriculture, then the whole process of setting funds for the CAP under the Multiannual Financial Framework represents an impediment. Sums are allocated to the UK for use in Pillar 1 and Pillar 2, though with the possibility of switching a maximum of 15% from the first to the second. However, this still leaves a large amount within Pillar 1, the spending of much of which brings no obvious public benefit (see the Hill paper to the AES mentioned above) and which are unlikely to represent good value for money. While it will not be possible to make a significant dent in this pattern until after 2020, this should be planned for. (Even the Commission at one stage doubted that direct payments would survive after 2013, though it is evident that there was sufficient political weight to ensure that they did; this is by no means as certain for after 2020).

Within Pillar 2's **rural development spending** (where the writer has developed substantial experience by being involved in evaluations of RDPs in Wales, England and Scotland) the main constraints on achieving objectives has come from the relatively small sums that are available once commitments from previous programmes have been met (such as agri-environmental management contracts that can last up to 10 years). A larger discretion to switch funds from Pillar 1 to Pillar 2 would help in this respect. However, there is some doubt about whether some of the activities (measures) are capable of absorbing more resources; for example, there may be only so much vocational training that farmers and their workers can be persuaded to engage in.

In the UK the largest spending under RDPs goes on environmental interventions. The Regulation imposes a limit on payments to farmers (developed from WTO rules) corresponding to income forgone. Thus it is not possible to provide financial incentives to deliver such services, though in practice small additions are sometimes made in ways that resemble incentives. This nevertheless is seen by some as an unhelpful rule that restricts the ability of the UK departments to achieve the policy aims.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Some major challenges are already known – how to react to climate change, reduce Green House Gas emissions, be prepared for animal and plant disease crises, coping with instability in markets etc. At the same time agriculture is expected to take an instrumental role in the conservation of wildlife, landscapes and, where

appropriate, social structure in rural areas. However, a potential major change will come if pressure builds up to reform the pattern of support to agriculture, with the dismantling of the Basic Payment system and a greater focus on farmers delivering environmental and related services in a cost-effective way. Political pressure is likely to build up a public opinion becomes increasingly aware of the poor value for money it represents and that farmers are typically a high income and high wealth group. Though a withdrawal by the UK from the EU seems unlikely, there may be a degree of nationalisation of the CAP, so that Member States who wish to maintain the Basic Payment form of support can do so (though with assurances that this will not significantly undermine the principle of the single market in agricultural commodities) but others, like the UK, with a commitment to producing a competitive agriculture, can achieve it using the structural change that termination of the Basic Payment would engender. Such a termination would be attractive only if there were simultaneous revisions in the net contribution of the UK to the EU budget.

Though the change of support system in the UK (which might be mirrored in some other Member States) could be challenging, it also represents an opportunity for agriculture here to become internationally competitive in its production (not necessarily in volume commodities but in terms of high quality and designated origin products). This suggests it will become more efficient in its use of resources. Furthermore, it will be seen to be delivering environmental services in a cost-effective way. Operators are likely to be earning rewards that enable them to be viable, as in other sectors. While some farms will continue that are the result of lifestyle choices or are maintained through households that have multiple income sources, the income situation of these will not form a focus of attention within agricultural policy (though they will be embraced by policies concerned with land user, animal welfare etc.).

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

As indicated previously, the balance of actions should reflect the scale of the policy problems being tackled.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

A final general point concerns the perceived importance of the competitive nature of UK agriculture. Though in general it is reasonable to wish to safeguard the relative position of UK agriculture and to encourage improvements in its productivity, this should not be a blind obsession. Spending funds on making farmers competitive must not ignore being value for money (or we would still be supporting the production of pineapples in English conservatories). Circumstances can arise in which a decision not to pursue competitiveness can represent a rational choice, as the resources absorbed could be used with better effect elsewhere in the economy. From UK farming's perspective this would not be welcomed, but from the perspective of the whole economy there could be a net gain.



## Hocking, Stephen

### **Q1. Should the EU have competence for agriculture and plant health?**

Only for industrial scale enterprises. products and services for gardens, allotments and other non-commercial enterprises should not be regulated by the EU

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

Over-regulation threatens the maintenance of heritage varieties by home gardeners

**Q3. – Q15.** Not Answered

## Hollis, Francina

### **Q1. Should the EU have competence for agriculture and plant health?**

Large-scale commercial farming and local amateur home gardening are two very different sectors. EU should NOT have competence for agriculture and plant health in UK's amateur home gardening sector, particularly when it comes to plant reproductive materials, e.g. seeds.

Local home gardening should be under UK control and should not be subject to EU regulations intended for large-scale commercial farmers."

**Q2. – Q15.** Not Answered

## Honey, Simon

### **Q1. Should the EU have competence for agriculture and plant health?**

Garden plants and seeds should not be regulated in the same way as cereals and potatoes grown on hundreds of acres. As a home grower and allotment gardener I feel it is not appropriate for UK gardeners to be regulated by the EU as if they were farmers, we have very different needs.

**Q2. – Q15.** Not Answered

## Honeyfield, Paul

### **Q1. Should the EU have competence for agriculture and plant health?**

There should be guidelines, not laws. Laws are fixed cf shut door; Guidelines have flexibility cf open door.

In consideration of Seed Laws it is inconceivable to outlaw natural (pertaining to nature and the Original Creative Pulse that we perceive as Life), variable 'carriers' of vegetation potentials that support all forms of life in the 'food chain'. One has to ask by what authority does the EU, or anybody have to play God (and this has to take into consideration that the upper echelons of the EU form an unelected body).

I use outlaw as information in the public domain suggests only registered seed will be allowed, from Agribusiness to the humble home-gardener. It is not ""rocket science"" to see that it would be beyond testing (and financing each test) of the 1000's of seed variations, many heirloom seeds passed onto friends and family.

This leads me to what is the purpose of such regulation. In Agribusiness controls on vast quantities of seed are wise, especially with GMO varieties that appear to have less than rigorous testing and unsubstantiated long term testing/results and the consequences to the environment/biosphere.

A few pumpkin seeds suitable to a niche environment on the south coast of England has no relevance to what may be grown in, say, Poland or Greece. Yet to outlaw this seed for some homogenous and possibly tasteless variety to be grown throughout the EU would be a travesty.

Besides, one only has to look at the Cannabis Phenomenon.

Controls are not preventing millions of growers of 'an illegal plant', albeit on small scales. Therefore, practical solutions must be addressed and not to add to the wasted funds that come from hard working individuals through taxation and licences."

## **Q2. What evidence is there that the EU approach to agriculture:**

### **i) benefits the UK national interest?**

If the EU approach is in fulfilling Agenda 21 of the UN .....,where can there be benefits to the UK?

**Q2ii). - Q5.** Not Answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Overall national guideline would be adequate, with regional participation according to need.

**Q7.** Not Answered

### **Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Depends on the long term plan of the EU i.e. the proposed Federation of Europe whereby the UK will be divided up into 10 zones ....this is in the public domain.

Any proposals need to be fully cognizant of long term goals of the unelected upper echelons of the EU.

**Q9. Considering the single Common Market Organisation:**

**How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?"**

What is level when UK is a net provider of funds to the EU (along with Germany) whereas all other members are net withdrawers.

Is it not true that Norway and Switzerland have satisfactory progress based on autonomous decisions in the governing of themselves?

When you have a giant entity the locals get more bureaucratic problems.

**ii) How could current arrangements be improved?** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Impossible to know...one would have to completely withdraw for a period and compare

**Q11. – Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I have sprinkled serious points from my own perspective, my own experience from what I would describe a 'grass roots' level (excuse the pun).

I was born into agriculture, Studied the subject at university in the early 70's (By the way, decided to get out of agriculture as I could only foresee the less human agribusiness dominating as opposed to local community based independent operators).

I have since spent 35 years in horticulture and consider home gardening a hobby.

## **Horticultural Trades Association**

**Introduction and opening comments:** The Horticultural Trades Association (HTA) is the leading trade association for ornamental horticulture and the gardening industry, an industry with an estimated value of £9 billion. Commercial production of ornamentals is defined as agriculture, and agricultural policy plays an important role for our members and their businesses. Too often, however, the particular interests of

ornamental horticulture are not properly taken into account in agricultural policy. The requirements for food safety and food security can result in rules which are far too bureaucratic and costly without achieving any real benefit for consumer protection as far as ornamental produce is concerned. This regular conflict needs to be much better understood by policy makers to avoid unnecessary damage to horticultural businesses. Ornamental horticulture operates in a global market place with international trade and competitiveness of major importance to the industry. The balance of competences review is therefore of great interest to our members. The HTA represents a wide range of members, with differing views. This response has been compiled following consultation with members.

**Q1. Should the EU have competence for agriculture and plant health?**

There is no simple answer to this question, as far as ornamental horticulture is concerned. As indicated above, ornamental horticulture operates in a global trading environment. Defra figures show that in 2012 we imported £1,054,921,000 and exported £47,289,000 of ornamental horticultural produce. The majority of these imports and exports are within the EU. Common rules on plant health in particular are vital to facilitating this international trade. It therefore makes sense for basic rules to be set at an international level. It is questionable whether this should be done at the EU or WTO level, although for practical reasons probably at the EU level. However, national interests can vary so the ability for individual countries to take action to protect their particular interests is also important.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

The ability to trade across the EU is undoubtedly of benefit to the ornamental horticultural industry.

**ii) disadvantages the UK national interest?**

A lack of knowledge and understanding at the EU level has the potential to seriously disadvantage UK ornamental horticulture. The recent proposed regulation on Plant Reproductive Material (PRM) is a clear example of this. To require all varieties of ornamental plants to have an officially recognised description (ORD) would either involve massive cost to the industry or seriously reduce consumer choice if ORDs are not applied for. This approach will bring no benefit to industry or consumers. As stated above an approach which focuses on food safety and food security without understanding the knock-on effects on other sectors (such as ornamental horticulture) can be very damaging.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

As can be seen from the PRM example less EU action would be of benefit. A further example would be under the proposed plant health regulation which initially

proposed that haulage companies involved in transporting plants would have had to register for plant health purposes. Again we could see know benefit to industry or consumers, simply added unnecessary bureaucracy.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

It is important to stress that some plants are covered by the plant passporting regime, and it is proposed to extend this to all plants for planting – a proposal the HTA supports. Any plant health and plant reproductive material legislation needs to strike a balance between facilitating trade and protecting UK biosecurity, within the resources available. A more responsive, risk-based approach should enable this to happen.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Please see our response to question 1.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

Recently there have been discussions between the HTA, Defra, the European Commission and MEPs regarding the proposed PRM Regulation. (See question 2). These discussions lead us to the conclusion that there needs to be co-decision in plant health and PRM matters. Without the active interest of MEPs it seems to us that the European Commission would be reluctant to amend its proposals. The co-decision procedure does, at least, allow for checks and balances. A further point to consider is that the EC often seeks to retain delegated powers for implementing regulations. This can only be acceptable if the EC has the knowledge and understanding of the effects (possibly unintended) legislation can have on industry. At present the HTA does not have the confidence that this is the case.

**ii) disadvantages the UK national interest?** Not answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The HTA is aware of rumours circulating that plant health authorities were unable to take proactive action against wooden packaging material from China, which has been associated with transport of longhorn beetles because of threats of trade

retaliation by China over sales of olive oil. Whilst we have been unable to substantiate these rumours, if true it would be a clear indication that such trade agreements are not acting in the UK national interest.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

The HTA does not believe that there is a level playing field in terms of plant health. This is particularly so in terms of inspection and enforcement of the current rules by different EU Member States. Anecdotal evidence suggests that some Member States are much less diligent in their plant health service than the UK. This can be evidenced by the different numbers of interceptions being reported by different Member States.

**ii) How could they be improved?**

Arrangements need to be implemented and enforced to the same level across the EU. Decision-making on whether action should be taken needs to be done in a more timely manner and should be risk-based.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Please refer to our answers above.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

The HTA has no comment on this area of policy.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

As far as direct payments to nurseries are concerned, the eligibility rules and interpretation by the RPA act as a positive disincentive to growers to claim. Our understanding is that other Member States enable nurseries to claim direct payments rather than dissuade them. This approach is grossly unfair.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

For ornamental horticulture climate change and continued international trade are likely to see more plant health issues affect the sector.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

All three levels have a role to play in striking the balance between facilitating trade and protecting UK biosecurity. Please see our answer to question 1.

**Q15.** Not Answered

**Hudson, Kate**

**Q1. Should the EU have competence for agriculture and plant health?**

The EU can have competence for agriculture, but not competence for seeds and plant materials intended for gardeners. This is a completely different sector to agriculture and large scale farming, and should be dealt with separately.

**Q2. – Q15.** Not Answered

**Hughes, Sarah**

**Q1. Should the EU have competence for agriculture and plant health?**

No, the EU should not have competence for agriculture and plant health. They should be controlled by UK law, especially for the laws and regulations governing home garden and small scale agricultural use.

**Q2. – Q15.** Not Answered

**Hybu Cig Cymru - Meat Promotion Wales**

Thank you for the opportunity to respond to the review, the aim of which is to provide an analysis of what the UK's membership of the EU means for the UK national interest. HCC understands that the Balance of Competences review is intended as a non-political, objective and analytical study that will provide an evidence base for future policy development.

Hybu Cig Cymru - Meat Promotion Wales (HCC) is the industry-led organisation responsible for the development, promotion and marketing of Welsh red meat. HCC's stakeholder representatives implement, on behalf of all Welsh farmers and other key industry participants, a strategic plan to develop profitable and sustainable markets for Welsh red meat to derive benefit for all in the supply-chain.

HCC's work in the UK and abroad over the last 10 years has added £115 million to the value of the Welsh Lamb and Welsh Beef brands.<sup>39</sup>

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<sup>39</sup> <http://hccmpw.org.uk/publications/corporate/10thAnniversaryReview/>

HCC considers that the EU should have competence for agriculture and plant health. Europe is a vital market for Welsh food products, boosting the economy and bringing wealth back to Wales.

Wales is the largest sheep meat exporting region in the EU. Exports of Welsh Lamb and Welsh Beef were worth £217 million in 2012 and HCC estimates that the total value of the Welsh red meat supply chain to the Welsh economy – including farmers, processors and retailers – is worth £1 billion a year.

Welsh Lamb and Welsh Beef are currently in a strong position within the global market as both products have been awarded the status of Protected Geographical Indication (PGI), which identifies origin and unique qualities. As part of the EU Food Names Scheme, PGI provides consumer assurances that only lambs and cattle, born and reared in Wales, which are fully traceable and have been slaughtered/processed in HCC approved abattoirs/processors, can be branded as Welsh.

HCC is in negotiations to open up new markets for Welsh Lamb and Welsh Beef products in China and the United States. Welsh Lamb and Welsh Beef both have PGI status which assures officials and consumers in such countries that the product is fully traceable and recognises their origin and unique qualities. The PGI characteristics have been the foundation of HCC's brand development work. PGI status enables HCC to advertise Welsh Lamb and Welsh Beef and to build specific brand recognition and integrity. PGI status for Welsh Lamb and Welsh Beef also provide the industry with the opportunity to develop differentiated products and Wales is well placed to respond to consumer demands for meat produced from well cared for livestock and in environmentally sensitive ways. It is the view of HCC that for localised, speciality products, development of quality standards, protection of designation and other similar EU rules can facilitate trade and add value and international recognition. The mechanisms and support that are available at EU level are of particular assistance to Wales which is export focussed and consumes less than circa 5% of its sheep and beef meat products.

The internal market within the EU also provides mechanisms to ensure that consumers and animal health are protected when disease or food safety threats develop elsewhere in the EU. It also ensures that the UK's export interests are not subject to unjustified restrictions following such incidents. The European Commission and its Food and Veterinary Office (FVO) also play an important role in facilitating trade and in auditing controls to avoid inconsistencies.

As recognised in the consultation document the EU's agriculture policy, both in respect of support for domestic production and as regards trade in agriculture products with third countries, must be consistent with its obligations (and those of its Member States) under international law. These include the rules of the WTO and in particular the WTO Agreement on Agriculture. The EU has also entered into bilateral



and multilateral international agreements to liberalise trade and to facilitate co-operation between the EU and third countries. Many of these contain provisions concerning trade in agricultural products.

In terms of consistency of approach and competition HCC considers that a harmonised approach across the single market is vital. Competition can be affected by Member States having different interpretations or implementing EU rules in different ways and to different timescales. It is important that all countries implement regulations. Where regulations have not been implemented this raises anti – competitive situations between Member States. The sow stall ban is an example of where uneven implementation has impacted competition to the detriment of pig producers in Wales and elsewhere in the UK.

HCC welcomes recognition in the consultation document that the challenge for the UK agricultural sector is one of sustainable intensification. This means increasing food production while simultaneously reducing environmental impacts and enhancing the wide range of interlinked ecosystem services that society needs from land. Livestock farming in Wales is not only suited to the climate and geography of Wales, but it is the only economic activity in rural areas that can contribute to maintaining the attractive landscape, thereby supporting tourism. Food security remains a clear priority with the world population increasing exponentially. HCC is also eager to contribute to implementation of the agri-tech strategy ‘A UK Strategy for Agricultural Technologies’ for the benefit of the red meat supply chain and wider economy in Wales. It is acknowledged that this is the first time the UK Government, science base and the food and farming industry have come together to identify and develop the opportunities and strengths of the UK agricultural technologies (agri-tech) sector as a whole.

HCC is also engaged in discussions on how the red meat supply chain can benefit from Horizon 2020. Worth more than €15 billion over the first two years, the funding is intended to help boost Europe's knowledge-driven economy. HCC welcomes the move by the Commission to outline funding priorities over two years, providing researchers and businesses with more certainty than ever before on the direction of EU research policy.

In terms of the Common Agricultural Policy, HCC considers that the provision of over £260 million per annum to farmers in Wales every year should not be underestimated in keeping businesses afloat and thousands of people in work. The money also benefits the wider community and economy. HCC has previously welcomed recognition by Alun Davies AM, Minister for Natural Resources and Food that a key aim of the CAP is to ensure viable food production and also to help maintain the integrity and vitality of rural Wales. These Direct Payments contribute to farm incomes and limit farm income variability. It is also important to acknowledge that price and income volatility and natural risks are more significant in farming than in most other sectors.

In the majority of rural areas of Wales, agriculture is the main source of employment and essential to local economies. Welsh agriculture directly supports a workforce of over 56,000 (4.4 percent of the Welsh working population) - employment in the beef and sheep sector represents a large proportion of this workforce. Welsh livestock farming underpins the visitor economy which supports 172,000 jobs and contributes £6.2 billion in Gross Domestic Product (GDP).

The RDP for Wales 2007 - 2013 has enabled farmers to adapt to change, and to improve their sustainability and competitiveness. Through the RDP for Wales 2007 - 2013, under Axis 1 specifically Farming Connect and the Supply Chain Efficiencies Scheme, HCC has been able to deliver sector focused technology transfer activities in the form of farm events, publications and web-based information. In addition, projects are undertaken to demonstrate new technologies and assist farmers in implementing new strategies. The Rural Development Plan for Wales from 2015, which will be part funded by the EU, will have a key role to play alongside the other structural funds in contributing to the continued development of the Welsh red meat supply-chain, which will in turn benefit the economy and people of Wales. Thereby achieving economic improvements through a dynamic industry; developing opportunities for reducing costs; increasing growth and productivity; maximising margins; embracing different approaches and new technologies; enhancing market opportunities; towards the long-term sustainability of the red meat industry. HCC considers that sustainable agriculture promotes greater stability in the rural economy.

Membership of the European Union gives the red meat supply chain in Wales unrestricted access to more than 500 million potential customers in 27 countries. Apart from the benefits of open trade with our European partners, Welsh farmers also benefit from the Common Agricultural Policy and payments for projects made under the Rural Development Plan.

We hope that these comments are useful in your deliberations and would appreciate being kept informed of any further developments in this area.

## **Incredible Edible Wreccsam**

### **Q1. Should the EU have competence for agriculture and plant health?**

No. This should be down to individual countries.

This has been shown by the desire to register all seeds which is both unethical, impractical and completely unnecessary.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

Some grants have been beneficial.

**ii) disadvantages the UK national interest?**

The rules to register and regulate all seeds. This could damage the local growing economy significantly. Grants are not always fairly given.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

It would completely depend on the EU action. The future suggests not.

Every single variety of vegetable would have to be registered on an EU list, otherwise it will be illegal to sell it. To be registered on the list, seed varieties have to pass a series of tests demonstrating what is called DUS 'Distinctiveness, Uniformity and Stability'. It costs nearly £3000 to test & register just one single variety of seed for sale.

However, the UK can retain autonomy while having close links with other EU countries, more of a network of ways of mutual beneficiaries than a union.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

It would be possible to have both. The UK can retain autonomy while having close links with other EU countries, more of a network of ways of mutual beneficiaries than a union.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Regionally would be most ideal, allowing for participation of those actually involved in this area. Practically it may have to be nationally however.

**Q7. - Q12.** Not Answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The issues of GM, including freedom of choice to stay GM free

The issues surrounding the register of seeds.

The adequate allocating of grants.

The ability for those with experience to have a participatory say in decision making.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Local issues need local decision making. Nationally we can make agreements this way if needed Internationally, we can choose which agreements we choose to agree

and adhere to, with this decision made on a local or national level (no need for EU MPs to do so).

**Q15.** Not Answered

## **Increment Limited and Inside Track**

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes. Our closest markets are in Europe and disease risk is greatest between nearest neighbours. We cannot manage either easily in isolation particularly as the volume of trade increases and supply chains operate over larger geographical areas increasing risk and need for controls outside of our borders.

Viewed positively our climate is more favourable than almost all other EU countries so, with flair we should have advantage. However, UK negotiation on the CAP needs to be improved to reflect national conditions.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

The uniform economic policy has allowed the UK to potentially benefit from its climatic advantages and large farm structure without risk of exclusion from our nearest markets. While we are net importers we are also substantial exporters in most years (e.g. 3 Mt wheat). Cross border animal welfare and plant and animal health control has reduced risk. The EU was supportive in managing BSE

High welfare production systems generally favoured within the UK, such as caged egg ban and abolition of farrowing crates, are more effective if not carried out unilaterally allowing competition rather than protection at any cost.

Provision of seasonal labour relatively easily with little bureaucracy from the EU has had a very positive impact on the UK fruit and vegetable sectors by providing skilled labour when required.

Freedom to use the Paris futures markets for wheat and oilseed rape for price risk management unencumbered by differences in legal framework and subject to the same support and tariff protection increases the ease of price management. In contrast to the London LIFFE wheat market the Paris market is large and expanding.

#### **ii) disadvantages the UK national interest?**

The greening proposal under the CAP reform has reduced our ability to deliver environmental benefit cost effectively. While basic environmental protection can reasonably be imposed at EU level, environmental enhancement is best defined at member state level.

The delays in approving the production of GM has reduced the importance of the UK biotech industry with loss of skills and jobs.

Many of the problems have been as a result of the conflict with drawing down additional Pillar 2 cash and loss of rebate. This has reduced structural investment in agriculture and allowed other countries to compete with our primary producers despite our economic advantage. The most obvious examples are in the dairy industry where the UK monopoly buyer the MMB failed to innovate but when broken up was unable to access capital for new products as easily as our main EU rivals. The big growth in UK products has been from other European processors (Mueller, DANONE, etc.).

The cost is higher than would be justified by the UK in isolation. This is not just because we are net contributors to the EU but because our conditions and farm structure generally requires less support. However, farming organisations are unlikely to accept this.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Many of the systems offer the potential to improve efficiency but do not always deliver and political interference reduces speed of delivery.

The EU needs to be stronger on stamping out illegal manoeuvres from member states such as bans on GM production contrary to EU law. Italy has recently banned production of Mon810 (as has France) with both bans contrary to EU law but no action is to be taken. Alternatively the EU should leave the decision on production entirely to member states and be concerned only with any health risks on consumption of these goods leaving decisions on growing to individual countries.

EU legislation needs to be at a higher more strategic level and further from the detail. For example, it would be sensible and save cost if the EU simply defined that a product is safe and not the detailed specification of that product. For example, wheat suitable for intervention has to have a number of characteristics designed to raise quality. However, the indirect measurements used do not ensure that the wheat is suitable for bread making (which is the objective). The detail should not be defined because it reduces the possibility of introducing new bread manufacturing mechanisms but the key ability, to make bread, is worthwhile. (A plane should not be defined as having two wings and an engine but as an object that can fly in a controlled manner without crashing).

In general, the pesticide legislation has worked well: a product is shown to be safe on one crop and it is up to individual approval systems to demonstrate safety for other crops in other conditions. The coordination of this could be improved to make it easier to coordinate between member states. The EU negotiation on removing tariff barriers is likely to be more effective than the UK working in isolation and of importance to the UK.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

I would argue that biosecurity is better where a larger geographical area is involved. Thus barriers placed around the EU are likely to be more effective than barriers around the UK given that many diseases can be blown across the channel or (for example) carried by migrating birds or during import. Input into neighbouring biosecurity practice should be seen as positive in supporting our national interest. However, the regulations underpinning the process have to be sound. The UK and other countries should be in the position to react quickly and unilaterally if there is a problem subject to an appeal and fine if the action is proved unreasonable, for example, imposed for reasons of protection and price control rather than bio security.

The EU does not operate a cheap food policy but free trade within the bloc with common standards. This is a better compromise than a UK isolationist policy which would allow UK efficiency to decline without competition.

Basic economic theory, and thus arguments for free trade, recognises that competitive advantage benefits the consumer and leads to a better allocation of resource to generate wealth. Protectionism seldom works for long.

In my time the major problems we have face have tended to be wind blown or carried by wild birds -including the penultimate outbreak of Foot and Mouth, Chalara Fraxinea and Barley Mosaic Virus or UK issues such as TB and BSE. Working with the EU should be more effective in preventing the problems entering the country and there is less likelihood of exclusion where we are part of a single trade area.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

Not much. However, the scope to improve is better working within the EU than in isolation. Thus control in the Netherlands and France could be negotiated and would be to our benefit.

**ii) disadvantages the UK national interest? Even less.**

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Environmental management would be better taken regionally within the UK. The decisions to grow GM crops are better taken within the member state but with GM trade at EU level.

Quality standards should be determined by the market and not UK or EU.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

Two elected tiers should be a sound safe guard protecting wide interests.

## **ii) disadvantages the UK national interest**

We have a problem that UK MEPs are largely non participants (UKIP) or separate from the main party decision making process for national reasons losing influence (Conservative party). The EU elections tend to be a protest vote so the quality of UK MEPs is often 'interesting'. Thus, Council is more effective at expressing UK interests and rational thought process.

### **Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these arrangements and the EU's role in negotiating them help or hinder the UK national interest?**

The EU has achieved a tremendous amount in reducing internal trade barriers compared to the UK in isolation and as a consequence looks likely to be more effective at negotiating agreements with non EU countries. The EU can offer more making the process more worthwhile for the UK providing our own economy is dynamic.

There are disadvantages because strong national influences can block negotiation (French cultural subsidies) but in general a group of similar countries with similar interest will be more effective and gain more than individual countries operating independently.

### **Q9. Considering the Single Market Organisation:**

#### **i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Quite good and less distorting than the Direct Payments Regime. (see below)

#### **ii) How could they be improved?**

High commodity prices have reduced many of the distortions although this may be temporary. Absolute limits on intervention/private storage should be avoided by introducing downward price adjustments as goods are purchased in so it becomes progressively less worthwhile. A similar method should be used for export restitutions so that exports are not permitted for an extended period of time with a subsidy.

In the interests of the livestock sector the grain tariff should recognise different grain values so that maize and sorgham can more frequently supply livestock feed. The TRQ should be reviewed.

In general standards should be determined by the consumer rather than government. However, on occasion for say welfare, sustainability or environmental reasons it may be useful to have a common mechanism to protect all producers. The UK considered bans on battery egg production and farrowing crates as

desirable. While implementation has not been perfect the damage has been less than if a decision had been made unilaterally.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Access to Pillar 2 money is a problem reducing relative UK investment in value added compared with other countries. The potato and dairy sectors appear to have been hit. The big growth area in potatoes is prepared goods and these are increasingly sourced from the Netherlands and Belgium by UK supermarkets presumably because investment infrastructure has been assisted by more Pillar 2 funding. Other countries have developed better infrastructure and these businesses are now investing in UK processing to detriment of national processors.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

I have completed studies on this. Global grain consumption is ONLY on the 50 year trend as a result of the use of grain in biofuels particularly in the US. It would appear that UK policy on anaerobic digestion will have a proportionately as large impact on UK grain production (most recent plants run predominantly on maize replacing other crops). The hike in price in from 2006 has two dominant causes 1) up until 2006 politically unsound intervention stores were emptied onto global markets and grain that would have gone into intervention stores exported on to global markets with a subsidy. This was in a period when for six out of ten years consumption was greater than production. However, the dumping of grain gave global producers the wrong signals and production was not stimulated. When stores were empty there was a global shock. 2) Global biofuel policy with the US for example using 120 Mt in ethanol. There has been some production response but this cannot return prices to the status quo without reversing the increase. Grains have unequivocally showed a major price increase since 2006 and biofuels are a major component. The oilseed sector is more complex but this has also showed an increase in price against the long-term trend despite increasing crop area.

China may be a big consumer but has not affected the rate of increase in global demand experienced over the last 50 years (this is easy to demonstrate) just the destination.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

Boundaries between the three areas are increasingly poorly defined and inflexible.



- i) Direct Payments. Medium problems with direct payments within the unified system. In terms of the larger global positioning the subsidy is not helpful and reduces innovation and restructuring. UK farms are bigger and more able to compete internationally. Rural incomes are not different from other sectors. Farmers are generally conscious of Australia and New Zealand which have similar labour and machinery costs as the UK but no subsidy. We do not have a problem with abandonment of the countryside with very few exceptions. Support for Young Farmers is an unnecessary complexity. The proposed Greening measures are a retrograde step reducing the UK's ability to deliver environmental protection cost effectively with a potentially very uneven implementation in other states.
- ii) CMO. Minor problems where price management has reduced the pressure to put in place commercial strategies (although these are being introduced for a number of commodities now and have been for some time for potato producers). The slow death of the LIFFE wheat futures market is in part a result of the historic price management.
- iii) Rural Development. Massive problem with UK as a result of UK unwillingness to draw down Pillar two funding. However, it also provides an example of over management by the EU providing less ability to respond to national needs (although the new regime has greater flexibility).

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Negotiation and engagement needs to start on the 2020 CAP reform.

Thus the political realities of change need to be identified with support transferred to retraining for those leaving the industry. Support should be phased out for production more slowly for those under 30 ha with no other income sources to allow time for readjustment.

Clear objectives need to be set for public goods and these should be adopted across the EU. Carbon capture and penalties should be based on a carbon value (accepting the high level of uncertainty) . Environmental degradation should focus on outcomes in terms of species at risk and EU policy to increase numbers agreed and common policy. The UK cannot increase populations of migratory birds if obliterated in Spain. Health and welfare needs central agreement and be more proactive. Having said that action on the e coli issue was quick. There should be easier access of national experts to policy makers - we are quite good in the UK. Understanding the precautionary principle needs to be raised and if necessary defined more carefully with regard to how and when action should take place.

The neonicotinoid ban was incorrect but action on the identified problem of pollinator decline was needed. This could have been achieved through an EU policy on refuge areas of pollen and nectar plants with a greater certainty of success and less cost to

the industry. Imagination is discouraged by the political complexity of reaching agreement. The role of consumer choice in determining quality.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

EU to negotiation unilateral trade deals EU to determine common tariff arrangements around the EU.

EU to determine policy on health and some environmental sustainability.

UK to decide on detail of direct payments (and any transfer to pillar 2) having been presented with a maximum budget for farm support. Potential payment per unit of UAA to be equal leaving member states to determine land quality adjustments and any transfers.

UK to decide on how expenditure on sustainability, environmental protection is to be spent. Ranking of expenditure should be determined by member state

UK to decide on any investment in adding value and infrastructure.

Money may be rolled forward or transferred to other sectors other than direct payments.

In general the relationship between EFSA and the national bodies is sound but needs to be developed and made independent of political interference and deadlines for decision enforced more effectively.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

This is a very light summary. I have analysed many of the areas in more detail and would be happy to argue my views if it were useful.

UK engagement needs to be upped and the importance of MEPs to our interest reinforced. The UK rebate needs a rethink. It is justified but should not interfere with Pillar 2 draw down. The CAP needs a clear objective. The current reform is a political defence of a regime and not a policy for the future. Agriculture is complex and should be seen in the context of wealth creation in Europe and the supply of additional markets for non agricultural goods. In agriculture we have missed far too many opportunities - we should dominate the supply of vining peas, processed potatoes and dairy products to the rest of Europe but we don't.

Our country has achieved success at least in part as a result of the freedom of labour movement. While it is reasonable to discourage immigration that does not contribute to the national wealth and well being the vast majority of immigration underpins these two aspects. Immigrants tend to be disadvantaged because English is a second language and the minimum wage applies to all so it is not (or should not) be a result of lower cost.

## Institute for Archaeologists

The Institute for Archaeologists (IfA) is a professional body for the study and care of the historic environment. It promotes best practice in archaeology and provides a self-regulatory quality assurance framework for the sector and those it serves.

IfA has over 3,000 members and more than 70 registered practices across the United Kingdom. Its members work in all branches of the discipline: heritage management, planning advice, excavation, finds and environmental study, buildings recording, underwater and aerial archaeology, museums, conservation, survey, research and development, teaching and liaison with the community, industry and the commercial and financial sectors.

IfA's evidence focuses on the EU's effect on the management and protection of the historic environment.

### General

The 'historic environment' comprises:

*'All aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible or buried, and deliberately planted or managed flora.'*

(English Heritage: *Conservation Principles: Policies and Guidance for the Sustainable Management of the Historic Environment* (2008), page 71)

This includes both terrestrial and marine heritage assets<sup>40</sup>. Moreover, those assets can be either designated (for instance, through the scheduling of an ancient monument or the listing of a building) or undesignated. It is important to note that the vast majority of the historic environment (around 95%) is undesignated and regulated primarily through the planning regime (which recognises the impact of development upon the historic environment as a material consideration). However, the use of land for agriculture or forestry does not constitute development within the meaning of the Town and Country Planning Acts and much agricultural activity (which can have a significant impact upon the historic environment: see, for instance, *Ripping Up History* (English Heritage) <http://www.english-heritage.org.uk/publications/ripping-up-history-archaeology-under-the-plough/030725rippinguphistory.pdf/>) falls outside the planning regime or is deemed to have consent. Indeed, even in the case of designated assets, such as scheduled monuments, '*current heritage legislation permits essentially uncontrolled cultivation of otherwise protected monuments*' (*Ripping Up History*). This is why support which the Common Agricultural Policy currently gives to the historic environment (in

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<sup>40</sup> 'Those elements of the historic environment – buildings, monuments, sites or landscapes – that have been positively identified as holding a degree of significance meriting consideration are called "heritage assets"', *UK Marine Policy Statement* (2011) paragraph 2.6.6.1. This is a planning policy definition.

particular, through Pillar 2 and the provisions of agri-environment schemes facilitating the management of the historic environment) is crucial (see, for instance, <http://www.helm.org.uk/managing-and-protecting/sites-in-farmland/>).

The Common Agricultural Policy has delivered very significant benefits for the historic environment. For instance, the High Level Stewardship scheme in England

*'...has been able to bring together the management of key aspects of the environment (both natural and historic) on a whole farm basis to deliver protection for some of our most important archaeological monuments and historic landscape features, removing them from inappropriate cultivation, managing vegetation and dealing with erosion. Many thousands of hectares of land have in this way been brought into beneficial management, delivering significant conservation benefits over the lifetime of the schemes, and helping to discharge the UK's national and international obligations – for example under the European Landscape Convention.'* (letter, Mike Heyworth, Council for British Archaeology to Defra, 28 June 2013)

However, that support cannot be guaranteed in future. For example, IfA and others have very real concerns that the proposals in England for the next generation of agri-environment schemes (NELMS) may marginalise support for the historic environment. It would be helpful in this regard if the management of the historic environment were more clearly recognised within the core objectives of the Common Agricultural Policy both at a European and national level. At present, funding is provided largely on the basis that the historic environment is an integral part of 'landscape' (a view which we wholly support), but it would be better if, in addition, the environment (which CAP seeks to support) were expressly acknowledged at the highest level to include both the natural and the historic environment.

## **Q1. Should the EU have competence for agriculture and plant health?**

1.1 Yes, in view of the very significant benefits for the historic environment delivered by the Common Agricultural Policy (see above). In theory such support could be replicated at a national level, but in practice it is unlikely that this would happen.

## **Q2. What evidence is there that the EU approach to agriculture:**

### **i) benefits the UK national interest?**

2.1 The improved management and protection of the historic environment (as outlined above) benefits the UK national interest. This is recognised in England in "The Government's Statement on the Historic Environment for England 2010" which sets out a vision:

*'That the value of the historic environment is recognised by all who have the power to shape it; that Government gives it proper recognition and that it is managed intelligently and in a way that fully realises its contribution to the economic, social and cultural life of the nation.'*

Those sentiments continue broadly to be echoed by all administrations throughout the United Kingdom.

**ii) disadvantages the UK national interest?**

2.2 IfA agrees with Defra that *'rewarding farmers for the environmental goods they provide is a much better use of taxpayers' money than providing direct subsidy'* (paragraph 6.2, page 54 of the consultation document, *Implementing CAP Reform in England* (2013)). Too great an emphasis upon Pillar 1 payments (notwithstanding greening and cross-compliance) may disadvantage the UK national interest by providing insufficient public benefit when compared to the cost of subsidy. This is not to ignore the important stewardship role which the farming sector plays.

**Q3. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The ability already exists at a national level to support the management and protection of the historic environment (for instance, through the implementation of agri-environment schemes on a national basis) in pursuance of EU policies. However, as noted above in respect of NELMS, such support is by no means guaranteed in the future. Although such support could in theory be provided without European action, it is questionable whether this would happen, particularly in a time of recession. IfA would prefer to see the management and protection of the historic environment more clearly embedded in the core objectives of CAP at a European level in order to ensure that this objective is achieved at a national level (through a rural development programme of which the management and protection of the historic environment is an integral part).

**Q7. – Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

The management and protection of the historic environment should be more clearly embedded in rules around support to UK farmers and growers through EU funds (particularly in relation to rural development, but also in relation to direct payments through such mechanisms as greening and cross-compliance).

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Budgetary restraint will no doubt remain the major challenge in the short to medium term.

The opportunities to achieve synergies (for instance, facilitating development and practices which promote the interests of farmers at the same time as safeguarding and improving the historic environment) should be fully explored. A sustainable approach should not see farming and social and economic interests as in conflict with environmental ones. Investment in the historic environment will deliver environmental, social and economic benefits, maximising value for money (see, for instance, <http://www.english-heritage.org.uk/professional/research/social-and-economic-research/value-of-historic-environment/economic-value/>).

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

A clear lead should be given at a European level.

**Q15.**Not answered

## **Institute for European Environmental Policy**

### **1 INTRODUCTION**

The Institute for European Environmental Policy (IEEP) is an independent research organisation concerned with policies affecting the environment in Europe and beyond. Our aim is to disseminate knowledge about Europe and the environment and to analyse and present policy options. We undertake research and consultancy on the development, implementation and evaluation of environmental and environment-related policies in Europe, including EU agricultural policies. We work closely with the full range of policy actors from international agencies and the EU institutions to national government departments, NGOs and academics.

We are a charity with offices in London and Brussels and a network of partners in other European countries. The London office of IEEP was founded in 1980, the Brussels office in 2001. A presence was established in Finland in 2008.

### **2 SOURCES OF EVIDENCE**

The evidence underpinning the response that we are making to the consultation is drawn from several sources. These include:

- More than 30 years of experience of EU policy, by staff, associates and trustees, stretching back to the 1970s. Relevant activities have included both academic and applied research work, sustained interaction with the European Institutions, national officials engaged in EU matters and other stakeholders from civil society, business, science, research and elsewhere. Amongst our publications is the Manual of European Environmental Policy (IEEP, 2011).
- Experience gained in undertaking work relating specifically to agricultural policy and practice and related expenditure commissioned by various sponsors and clients, including different DGs within the European Commission. Relevant topics

have included the evaluation of a number of CAP measures, including cross-compliance, support for farms in Less Favoured Areas (LFAs), modulation, the environmental impact of the CAP generally and of various CMO measures and detailed study of several aspects of rural development policy. One study informing the Commission's original proposals for the recent CAP reform examined the role of agricultural policy in delivering public goods in Europe. (IEEP 2010)

## ISSUES OF COMPETENCE AND NATIONAL INTEREST

Before trying to address some of the specific questions, we would like to draw attention to two overarching issues that seem important for the overall Balance of Competences review process:

1. Arguably, there is a need to ***distinguish between three different but related questions*** concerning competence while performing the review. One relates to establishing the most advantageous level at which competences in a given sphere of policy should be established as a question of principle (ie European, national, or global). A second question applies where the European level of competence is appropriate. This concerns whether the relevant EU and Member State structures and institutions give rise to the necessary capacity and decision making arrangements to exercise competence in the appropriate way at the European level. The third is a different question about whether in practice good policy decisions have been taken in the past by actors at the European (and indeed) other levels. This helps to clarify the point that bad decisions in the past, as have been observed on various occasions at the EU level, (as well as nationally and regionally), do not necessarily imply that responsibility is allocated at the wrong level for future policy requirements, and vice versa.
2. The second point of clarification relates to ***defining the UK's interest***, a phrase that is repeatedly used in the consultation documents. Given that the UK is a part of the EU, it is clear that genuinely good outcomes for the EU as a whole are also good outcomes for the UK in an important sense. In other words, while there are clear differences in certain priorities, entirely separating UK and EU interests is not helpful. Furthermore, the debate over what would be appropriate for the 'national interest' in the specifically agricultural sphere is not easy to isolate completely from the European context within which British agriculture takes place, and the dynamics that this entails. The stability of agricultural markets, farm incomes and food security in the UK, and some of the environmental goals in the countryside, are linked to the European context and the actions taken in neighbouring countries. The substantial level of trade in agricultural produce, which can be expected to continue, and the many shared environmental interests (such as lower greenhouse gas emissions, watersheds and marine water quality, biodiversity of European value) are amongst the important linkages. National food

security is likely to be greater inside rather than outside a preferential trading bloc with extensive production capacity.

In considering the national interest in the context of potentially different relationships between the UK and the EU what options are being compared? It is perhaps most relevant to weigh up the advantages of pooling aspects of sovereignty in a particular policy domain, such as agriculture, allowing for the compromises this usually entails, with the alternative. This may be pursuing greater national autonomy outside the EU or within a renegotiated settlement with the EU. In either case opting out of the CAP, as occurs in other EEA countries, is presumably the relevant counterfactual to compare with the present situation.

The path outside the CAP has many implications, including a need to negotiate fresh relationships with the EU and a number of its policies, given its role as a powerful neighbour and trading partner. Evaluating these alternatives is a different judgement to make than assessing whether a particular set of EU policies, such as the CAP, is better or worse than those which could have been made in recent years given the current competences. It is this last question, i.e., the merits and failings of recent EU policy, which often receives the greatest attention. However, it should not be confused with the more fundamental issues of competence which the review appears intended to address.

### Agricultural Policy

Certain of the questions in the consultation address EU competence in agricultural policy and the EU “approach” to agriculture in general terms. In framing responses to these questions, a few initial observations about agriculture and agricultural policy seem to apply more widely. Agriculture and food supply are and will continue to be of strategic importance and several aspects of agriculture are the subject of sustained policy intervention in Europe and many other parts of the world. However, the agenda for agricultural policy is changing, with much less emphasis on support for the production of specific commodities, and more on food security, building competitive farming systems, innovation, environmental management, support for appropriate structures, adaptation to climate change, viable farm incomes, the social acceptability of various new technologies, the role of energy production on farmland, farm animal welfare, etc.

- The question now is how competence for such diverse but related issues should be distributed in future. We share the view that the CAP is often slow to change and it has been frustrating to witness unsatisfactory compromises adopted in the face of new challenges, as in the case of the recent debate over “greening” the CAP. At the same time there has been recognition of the significance of many of the important newer issues, such as improved environmental management and greater innovation in agriculture, in the EU in recent years and so the prospect of movement in all 28 Member States. In many cases progress in Europe as a whole is not only desirable for its own sake but also permits initiatives in the UK



which otherwise could be inhibited by competitiveness concerns if the country was acting alone. Improving farm animal welfare standards is a case in point. Trade-offs are unavoidable between advantages in some areas of competence and drawbacks in others.

- Many of the historic disadvantages of the CAP from a UK perspective have arisen from the focus of much of CAP support on commodity production. The newer objectives of the CAP, although not formally re-cast in the Treaty, are closer to the positions advanced by Defra and the UK has had some influence as an advocate for change (as in the Mid Term Review, Fischler Reform).
- The broad rationale for conducting agricultural policy at the EU level is strongest on certain larger issues, including common trade arrangements, standards for farm products and agricultural inputs and determining reasonably consistent farm support levels. A common approach is logical in such areas within a single market with one set of external tariffs etc. There are many more detailed issues where a common approach is less advantageous and may be unnecessarily constraining, including aspects of land management. For example, EU rules about the number of trees per hectare on agricultural land eligible for direct payments are too rigid given variations in EU conditions.
- While high levels of intervention remain in place in EU agriculture these will influence public policy and farm management decisions in the UK even if it were to leave the EU entirely, and had no say in shaping the CAP or associated plant and animal health standards. Outside the CAP, the UK would be free to change levels of overall support for agriculture and to transfer the focus of payments away from “Pillar One” to more targeted payments designed to increase the supply of public goods. Whilst this would be desirable from our perspective it is far from clear whether future UK governments would give sufficient priority to funding the supply of rural public goods. Furthermore competitiveness issues might, understandably, constrain a significant shift away from the support patterns made available to farmers in EU countries which would remain trade partners. Support levels in Norway and Switzerland for example are much higher than in the EU.

### **3. CLARIFYING THE QUESTIONS**

#### **Q1. Should the EU have competence for agriculture and plant health?**

Assuming that the single market remains fundamental to the EU, and there is continued EU competence for trade and other related areas, including partial competence for the environment, then a significant level of EU competence in agricultural policy is logical. Member States need adequate discretion and flexibility in a number of areas, including the details of land management, as noted above.

The history of agricultural policy in much of continental Europe has involved support for production, often combined with elements of protectionism. This, combined with the creation of a common market in the EEC, was one of the primary reasons for the

establishment of a Common Agricultural Policy. Although the policy has evolved a long way from the commodity support systems of 1966 to 1992 it still contains a dominant thread of farmer support. This is not likely to disappear for some time, though it is being modified and reducing slowly, not least as countries with a different (twentieth century) history join the EU. Thus, without a common policy with regard to agricultural support, the continued willingness of most other EU governments to protect their farmers means that UK farmers are likely to be at a competitive disadvantage if they are excluded from the CAP support system or equivalent measures.

The CAP is, correctly, but often awkwardly, moving towards reforms which are addressing contemporary issues, including real market failures, especially, but not only, concerning the environment. If maintained, this movement strengthens the value of continuing with a common policy given the inextricable inter-twining of agriculture and environmental land management (jointness) and the scale of the environmental market failure. Furthermore, many of the environmental market failures arising from contemporary agriculture concern the partly or wholly transboundary issues of biodiversity, water, and climate. In these cases it can be advantageous to pursue common action at a scale beyond the nation state, although there are some issues where this is less true of the UK because of its geographical position as a group of islands.

However, the rationale for EU competence is lower in scenarios where agricultural support falls to relatively low levels and potential conflicts with the internal market diminish. Then trade related issues, the need for common product standards and common environmental concerns become key to the rationale (for example significant changes to agricultural practice are required, on a continental scale to meet the objectives of the EU Biodiversity Strategy). If the Common Agricultural Policy fails to adapt to current wider EU objectives, such as the response to climate change, then the arguments of principle become much weaker and shared competence becomes disadvantageous, particularly to those Member States with a forward looking agenda. There are risks of shared competence, such as rigid rules adopted in the pursuit of reasonable conformity and the control of fraud which will always need to be offset against the merits of shared competence.

## **Q2. What evidence is there that the EU approach to agriculture:**

### **i) benefits the UK national interest?**

As stated above, the merits of specific levels of UK or EU competence depend to some extent on the intensity of support offered to the agriculture sector. Insofar as the majority of EU Member States are committed to a certain level of support for agriculture, as they have been historically and continue to be, then competitiveness requirements and the need to limit variations in support between countries point to a significant level of EU competence over agricultural support policies (as with the present CAP). This does not imply that any particular level of support is beneficial per se either for the EU as a whole or for the UK.

There are tensions between pursuing shorter term economic returns and the environment and this is particularly overt for agriculture. In the UK and other Member States agriculture stewards the majority of the land and thus our physical environment. Agriculture provides an example of pervasive market failure – in that it produces, or could produce, both agricultural commodities and non-marketed non-provisioning ecosystem services. The former are rewarded by markets the latter are not. Without appropriate active collective actions through agricultural and environmental policy this balance will inevitably swing to over-emphasis on the marketed goods. This has certainly been the case historically, and although policy has been moving somewhat in the right direction in catering for the real market failures, it remains so.

The CAP since 1985 has slowly been moving in the direction of trying to address some key market failures (Allen and Hart 2013). It has already been argued that an EU single market combined with the political reality of continued support for farmers in some form in Europe, and the environmental market failures, imply that it is highly desirable to work to steer the CAP towards a better balance between the economic and environmental contributions of agriculture.

The contribution of the single market and the jointness of agriculture and environmental management provide a good rationale for a common policy, provided that the EU institutions are capable of devising and playing their part in operating such policies without incurring excessive transaction costs or other penalties of collective action – such as inflexible measures designed to limit fraud but constraining appropriate local policies. Without this UK agriculture would feel at a strong competitive disadvantage. Evidence for this is exemplified by the recent discussion about the rate of fund switching from Pillar 1 to

2. UK farmers can see that the UK Government (rightly in our view) is more persuaded than most others that more of the CAP should be devoted to rural development and agri-environment. They are therefore concerned about being exposed to more generous subsidies elsewhere effectively benefitting equivalent production or producers in other countries (Irish dairy products and beef are often quoted as examples). Thus UK agriculture certainly feels the benefit of several aspects of a common approach.

## **ii) disadvantages the UK national interest?**

As one of the larger net food importers in the EU, the UK historically has always favored a more liberal trade stance. Thus a more protectionist EU agricultural policy in the EU has always been seen to be to the national disadvantage. However, the level of this protection is lower now than for the last one hundred years. Export subsidisation has all but ceased, and import tariffs are now relatively low (though higher than for manufactures). In the meantime non-tariff barriers dealing with agricultural technologies, pesticides, biotechnology, animal health and welfare and the environment have become much more important. The UK has concerns in all these areas and some powerful civil society advocates speaking for these issues

and thus arguing for measures to regulate trade in products which are considered unsatisfactory on environment, health, animal welfare, or other grounds. For example, the institute is amongst those with concerns about the sustainability of certain biofuel feedstock supplies from different parts of the world. The traditional UK free-trade position is now much more nuanced than it ever has been. This makes the gap between the overall EU position (itself very liberal in certain cases, such as the TTIP negotiations with the US) and the classical UK neo-liberal position smaller than in the past.

One disadvantage to the UK (and several other Member States) of the CAP as it stands within the EU budget is the distribution of expenditure. This generally is skewed towards countries with relatively large agricultural sectors (although with less benefits for newer Member States). In turn this affects the overall balance of EU expenditure and the scale of net contributions to the EU budget. This has been a major factor in explaining the size of the UK's net contribution, with a stream of consequences, including the negotiation of the UK rebate, subsequent demands from other governments for rebates and the relative dominance of distributional issues in EU budget negotiations, often eclipsing efforts to focus EU expenditure on real added value. Furthermore the UK government response has been to maximise negotiating capital on ensuring the continuation of the rebate rather than pursuing CAP reform in the direction of more focus on public goods, which ministers have declared support for. In the recent CAP reform several Member States received larger Pillar 2 allocations during the MFF negotiations but this was not a priority for the UK government and hence the national Pillar 2 budget is too small to meet the many priorities of the forthcoming rural development programmes.

This aspect of the CAP is clearly problematic. As a distribution mechanism it is perverse; it delivers funding disproportionately to Member States with historically higher overall levels of production, to older rather than newer Member States, and to certain sectors, such as more intensive arable producers, rather than those producing more public goods, such as extensive livestock farmers. The distribution of the CAP budget does not match the distribution of environmental or social public good supply in Europe on any measure we are aware of and nor is it at all well correlated with need as reflected by aggregate regional farm incomes.

The skewed expenditure under the CAP needs to be rectified with very substantial changes over time in the distribution of support to match new objectives in a systematic way. This points to the alignment of expenditure with public good provision, subject to monitoring and review, the withdrawal of untargeted Pillar 1 measures and changes in budgetary rules on co-financing. Measures directed at public good provision should be largely or, in some cases, wholly funded through the EU budget whereas co-financing is appropriate for measures with weaker EU added value, as with many of the current PI measures which are wholly EU funded at present.

Even with a reformulated CAP and changes in the budgetary rules, the UK as a

relatively urbanised Member State with an above average level of income could expect to be a net contributor to the CAP. This would be more acceptable if the value added of CAP expenditure was greater, which is principle is achievable. In a larger frame, budgetary gains in some areas, eg Horizon 2020, would need to be weighed against losses in others, and the budgetary impacts evaluated in a wider frame of substantial benefits of EU membership.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

This question can be addressed at a number of levels. While the CAP maintains a high level of support for producers and for production, this may help to enlarge Europe's agricultural market share for a period but it also may reduce long term competitiveness. If more EU action overall consists of switching support from coupled to de-coupled payments and putting more emphasis on innovation and research and development, as in parts of the recent CAP reforms, then the additional measures can be regarded as contributing to longer term competitiveness. How UK governments would address such issues if the country were to leave the EU is rather conjectural. The Government would be free to reduce domestic support levels and many assume it would. However, it would cease to have significant influence on support policies within the EU which would continue to affect British producers.

Several aspects of EU policy are relevant. For example, British farm products may be more difficult to distinguish on the domestic market because of certain EU labelling rules on country of origin which may reduce marketing opportunities and aspects of competitiveness. On the other hand, greater access to EU markets and the benefits within the UK of the EU system of rules to protect traditional/distinctively local agricultural products offer clear advantages.

However, at a larger scale the promotion of longer term competitiveness raises issues considerably beyond CAP support levels. One example of this is research and development. From the late 1980s until comparatively recently, UK governments have given less priority to agricultural research and especially to development efforts and budgets have been cut. This was not to the benefit of competitive food and farming, as has been pointed out by several observers. (Foresight Project 2010). The fact that the EU has maintained a significant joint programme of food and agricultural R&D therefore has almost certainly benefitted the UK. This seems likely to continue to be the case, with greater emphasis on research and development funding in the recent CAP reform and the Horizon 2020 Programme.

A similar story applies to agricultural extension services – both those designed to help the competitiveness of UK agriculture and its environmental stewardship. These too have been cut back systematically in the UK and in several other EU countries. The possibilities to use EU measures under rural development funding programmes have not been a high priority for successive UK governments.

There is no simple answer to this question. Much depends on the nature of the EU action and a future UK government's conception of what promotes competitiveness and its willingness to support this in a scenario outside EU Competence for agriculture.

**Q4. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Clearly it would be desirable to agree and then enforce more agriculture and plant health measure at an international level, given sufficient flexibility to meet local conditions. Progress in this direction is slow however. The EU offers a step towards a wider international framework and CAP policies attempt to address some but not all of the key issues at a European scale as noted above.

The more the CAP evolves towards addressing environmental and other rural market failures the more it is necessary to agree the common objectives and frameworks for action at EU level and then let the Member States decide the precise balance and application of the measures. This is indeed the approach of Pillar 2 rural development. In the current reform there is also considerable latitude given in how the new payments system will operate – again partly this is because it is serving wider environmental and social goals the importance of which varies around the EU. Thus a less common CAP is an appropriate development provided it meets real needs and does not introduce significant distortions to competition. Provided that the major payments to farmers are decoupled from traded agricultural commodities this differentiation within the Pillar 1 payment system is not necessarily a problem – indeed it is a political necessity. It can be seen as a correct devolution of responsibility to the appropriate level.

Stronger requirements for monitoring, evaluation of impacts, and full public disclosure would provide more confidence that diverse national regimes were being kept within EU guidelines, were effective and that major barriers to competition were not being erected. The existing EC field inspections are needed but they can be applied far too rigidly and they need to be adapted to the realities of semi-natural vegetation and other features on farms if support is to be re-directed successfully to public goods provisions and both farmers and public administrators are to have confidence in the new approach.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Successive UK governments have considered a multilateral trade liberalisation as a strategic objective for the UK, not least in agriculture. Governments have been

strong participants in and supporters of the creation of GATT and its successor the WTO, and the Agreement on Agriculture.

The stance has been underpinned by the objectives of pursuing open markets, keeping domestic food prices relatively low and curtailing subsidies and certain other interventions by external suppliers. From our perspective the national interest lies in long term sustainable food systems as well as an appropriately regulated trade regime. So the agenda is changing and so too are the requirements of international processes and agreements.

Irrespective of where national interest lies, one can only conjecture whether the agricultural provisions in GATT/WTO and other agreements would have come about in their present form if national governments had been the negotiating parties rather than the EU. It seems rather unlikely given the diverse views of European governments and the substantial negotiating power that the EU has exerted over time. In practice it is very doubtful that the UK could have advanced its own goals (however defined) more effectively as an independent actor than as a member of the EU. In our sphere of interest it seems reasonable to assume that the EU position, for example in relation to “Green Box” rules within the WTO, will be closer to UK interests, than the US position where public good provision from agriculture has tended to be given less legitimacy or political priority.

Similarly the existence of the EU, with a sizeable group of the former colonies and dependencies of Member States has meant that the Lomé agreement and its successor arrangements almost certainly have been stronger for the fact that such a large range of countries are bound up in the same agreements. The alternative might have been more difficult to defend in broader trade negotiations and have provided less benefit to all participants.

These are the strength in numbers arguments. The EU, representing 28 Member States and 500 million people, has much greater weight and capacity than individual Member States pursuing their narrower and different self-interests. In principle this is probably a greater benefit to countries with relatively open economies like the UK.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

EU biofuels policy has a number of flaws in our view, including a failure to take sufficient account of the true impacts of the use of these fuels on the environment and on the net emissions of greenhouse gasses. When such factors are accounted for properly the anticipated public benefits of biofuel use are much lower than imagined at the time when the policy was introduced. In some cases there are no net emission reductions achieved by the use of conventional biofuels. (Bowyer 2011)

The institute has undertaken a review of the literature concerning the impacts of EU biofuel use on a range of agricultural commodity prices. (Kretschmer et al 2012). This found that the impact of EU biofuel support policies was to raise the price of

certain commodities above a baseline level; oilseed rape was one clear example where significant price increases were traceable to biofuel policy. The magnitude of this effect is quite variable and there was considerable variation in the estimates presented in the literature. Impacts on retail food prices were more difficult to estimate. The report contains more detailed results.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

IEEP supports the general approach of successive UK governments that direct payments (i) should be decoupled from production, (ii) should be seen as transitional measures to bring about the evolution of the CAP to a more rational policy. The successive reforms of 1992, 2000, 2004 and 2013 do move in this direction – but at a disappointingly slow pace and with some worrying lapses (e.g. the expansion of the range of commodities which can be coupled).

We consider that the commensurate phasing down of resources available to the CMO, and the development of rural development measures which we would have hoped would have expanded much more rapidly than they have, are also in the UK national interest.

The ability to develop useful national agri-environmental programmes within an EU framework – without losing the support of farmers who have to take the actions on the ground - can be viewed as one of the successes of the CAP. This is another example of where the UK has provided thought leadership in the EU, helping to initiate agri-environmental measures in the 1980s and developing these to their present position of covering almost two-thirds of England, for example. It is quite difficult to imagine that such progress would have been possible in a UK outside the CAP given political pressures to take shorter term view.

As noted above, a number of detailed rules can be over restrictive, for example in relation to farm level measurement of features and the treatment of minor cross compliance offences (such as missing ear tags on cattle).

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The present policy reform just agreed and now to be put in place until 2020, is not the mature CAP. It is helpful that a much greater emphasis has been put in place in the policy for switching EU agriculture onto a path of sustainable development and the need to incentivise the delivery of higher standards of environmental land management. Because of the sheer diversity of the EU and of the environment, and the challenge of avoiding high administrative costs, this is never an easy task. However, because of the unavoidable close inter-dependence of food production and the environment – each depends on the other, then manipulating agro-



environmental policies is a necessary route to progress this. Probably more could be achieved through market measures and through regulation but the role of public incentives is likely to persist, as demonstrated by the history of organic farming or the difficulties of managing flood water on farmland in the interests of wider society. These policies can be difficult to devise without being rigid or cumbersome or under-ambitious. Nonetheless it remains necessary and mutual learning on a European scale has advantages whatever the fate of the CAP.

**Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

In our view the issues of climate change, and water, soil and biodiversity protection (all in their own right, but also as they are intimately connected to food production) merit a larger public budgetary expenditure than they currently receive. The needs are greater than often appreciated, with potential expenditure on an EU scale around the current scale of the CAP (see for example Hart et al 2012). This implies that substantial funds are likely to be needed to maintain rural public goods over the long term, whether they are directed through the CAP, an alternative EU channel (such as a new rural environment fund) or are derived from national sources, as in Switzerland. Changes in competence would not change this underlying fact.

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**Jarman, Nicola**

**Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

None, there is too much control and the subsidies don't work.

**ii) disadvantages the UK national interest?**

It is a 'one size fits all' approach. Each country is very different and it should have more localised control that can respond to the local needs and environment.

**Q3** Not Answered

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

I see no advantages to the single market, we need to localise our agricultural production to the needs of our local population.

**Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

There is none, the UK needs to start meeting its own needs from its forests.

**ii) disadvantages the UK national interest?** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Regionally has to be the way forward, they can make sensible decisions meeting the needs of the farmers and the customers buying their products.

**Q7.** Not Answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The UK should be growing much more of its own food, free trade encourages less sustainable methodologies, passes environmental damage to poorer nations and increases transportation costs. Grow locally and consume locally.

**Q9.** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

It hinders UK consumers. The proposed requirement to give control of plant reproductive material to the corporations leaves the average UK gardener much worse off. I want freedom of choice, biodiversity and the ability to save my own seeds.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

The EU biofuel policies divert good agricultural land to the production of biofuel which is pointless. We need to be growing food on this land for people, a few more litres of biodiesel just contributes to climate change and ultimately is wasteful. Growing local food reduces the need for transportation and therefore biofuels.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

Direct payments distort the market and therefore hinder the UK agricultural development.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Rising food and transportation costs will challenge UK agriculture to produce more varied foodstuff within the UK. Customers are asking for organically produced good quality food from the UK.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The EU should be policing the spread of diseases but each state should be deciding what they should be producing for their own populations.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Climate change and peak oil should be transforming the UK Agricultural sector. A major rethink is required. We need to put people working back on the land in small organic farms and developing the policies to allow this. This would improve UK food security, reduce carbon emissions and reduce the unemployment rate.

## Jenkins, Paul

### **Q1. Should the EU have competence for agriculture and plant health?**

No. Seeds destined for use by home gardeners should be under the control of the UK government. Home gardeners should not be regarded as needing the same controls as large agricultural concerns which do need stricter legislation.

**Q2. - Q15.** Not Answered

## Johnson, Suzanne

### **Q1. Should the EU have competence for agriculture and plant health?**

It is reasonable to expect commercial agriculture to be regulated by EU law, however there needs to be recognition that non-commercial ornamental and kitchen garden growers have different needs, and individual States should have the right to regulate these growers in a way appropriate for their local conditions.

We feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation."

**Q2.** Not Answered

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

EU regulations should be basic, allowing the UK to regulate for its own industry. In particular, the UK should be able to relax restrictions for non-commercial users, for whom commercial seeds are not appropriate.

In addition, the UK should have the right to maintain more strict quarantine or restrictions on movement of plant or animal material if there is a risk of exotic disease being imported into the UK."

**Q4. - Q15.** Not Answered

## Johnston, Michael

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes. The Westminster Government could not organise a piss up in a brewery.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

The fact we in Scotland still have an Agriculture industry despite Westminster's best efforts to destroy it.

**ii) disadvantages the UK national interest?**

None that is credible. But no doubt some extreme right wing think tank will concoct some fairy story or other.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action?**

**Please provide evidence or examples to illustrate your point.**

More EU action is vital. The €250 million Westminster stole from Scottish farmers is a prime example.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Most other EU states have far higher biosecurity standards than the UK. None of them let Foot and Mouth virus out their government labs.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

None in Westminster whatsoever. We are still having to spend precious Scottish Government funds in repairing the damage its schemes did to the Flow country.

**ii) disadvantages the UK national interest?**

The pathetic response to Ash dieback.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Decisions about Scotland should be made in Edinburgh. Decisions about UK should be made in Brussels, for your own good as the UK has shown itself to be incapable of rational thought.

**Q7.** Not Answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

We live in a Global economy. Get over it.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Very successful.

**ii) How could current arrangements be improved?**

We could draft German or Finnish Civil servants to London. Perhaps then something might get done.

**Q10. – Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

Farmers are underfunded. Quangos, boot lickers, special advisors and hangers on are over funded.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Scottish independence.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The UK member state will need to decide what it wants for itself.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

When will you give Scottish farmers the stolen money back? All €250 million please with interest.

## **Jones, Ian**

**Q1. Should the EU have competence for agriculture and plant health?**

Not for home gardeners. it is overly bureaucratic and totally unnecessary

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** None that I can see.

**ii) disadvantages the UK national interest?**

It will restrict the gene pool and in times of species disease will limit alternatives.

**Q3.** Not Answered

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

No, they do not outweigh.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

Ash die back is a consequence of current policies of mono culture.

**ii) disadvantages the UK national interest?** Not Answered

**Q6. - Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Any policy that reduces the number of species available is a danger to the future of the human race.

## **Killick, Carol**

**Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for Plant Reproductive Material (i.e. seeds intended for gardeners).

I have 2 allotments and buy seeds every year. The vegetables are for home consumption only. I feel my gardens and allotments are a completely different sector, and don't require strict EU-level regulation. I experiment with new varieties as they are advertised and select the most promising. I feel seed suppliers won't be able to supply and develop so many in future because of the cost of getting them certified and registered.

**Q2. - Q15.** Not Answered

## **Kneale, Catherine**

**Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for Plant Reproductive Material intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation."

**Q2. – Q15.** Not Answered

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes. UK agriculture depends on harmonised markets for commodities. In the plant breeding sector, plant varieties are selected to perform well in a specific climatic region that can cover several neighbouring EU countries. Harmonised plant variety protection, seeds marketing legislation and plant health requirements are essential for economic activity in plant breeding.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

UK farming can remain competitive with neighbouring countries owing to approximate equivalence of agricultural and environmental support schemes.

Major plant breeding companies with EU headquarters continue to invest in UK plant breeding stations creating jobs for UK plant scientists and a route to market for UK public research.

#### **ii) disadvantages the UK national interest? None.**

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The UK consumer, quite rightly demands high standards of food quality/safety, reduced negative environmental impact and high animal welfare. This requires the intervention of regulators. If neighbouring markets were subject to individual country regulation, barriers to these markets and immense complexity would result making a competitive UK agriculture sector far more difficult to deliver. Harmonised standards throughout the EU can make a single large market accessible to UK agriculture.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The question suggests a false premise. EU trade in plant products in a single market is only possible through plant health legislation that protects biosecurity and provides a legal framework for the plant health inspectorate to operate. The harmonised EU plant health legislation is very much in the UK biosecurity interest and to act on a national basis could significantly increase risk to the UK.

### **Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

Not qualified to comment on forestry issues.

#### **ii) disadvantages the UK national interest?**

Not qualified to comment on forestry issues.



**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

UK national interest must be adequately represented and promoted in the EU decision making process. National decision making within the EU areas of competence creates complexity and barriers to trade and should therefore only be a last resort when the national interest is truly at variance to that of the majority of member states.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** None identified

**ii) disadvantages the UK national interest?**

Recent action by the EP with respect to Plant Reproductive Material legislative proposals suggests that the balance of decision making between Council and EP is malfunctioning. EP does not appear to be representing the proposals of member state governments and rather represents political ideologies of MEPs who have generally been elected with much lower levels of engagement from national electorates compared to nationally elected MPs.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

In the plant breeding sector, agreements with non-EU countries are very relevant. For example, OECD equivalence with EU seed certification schemes is essential for international trade outside of the EU which is also relevant to UK based companies. It is important that the UK remains aligned with other EU member states in international agreements and therefore it is sensible from a UK perspective that they are negotiated at EU level.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

In Plant Reproductive Materials covering plant health and seeds marketing, the proposed move from directives to regulation offers the prospect of improved harmonisation of markets by reducing the ability of member states to interpret implementing rules differently. Local and national needs are enhanced by creating the most harmonised common market possible to make it fully accessible to UK enterprises.

**ii) How could current arrangements be improved?**

By moving from directives to regulations where possible but retaining decision making powers for implementing rules within council of ministers where nationally elected governments can negotiate taking national interests into account.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

A good example of benefit to UK farmers is that following the bad weather conditions of 2012 summer, seed supply from UK own production for planting the next crop was inadequate. Significant quantities of certified seed of spring cereals was able to be imported from other member states to ensure the next UK crop and this seed reliably met the same quality standards as UK certified seed.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

Not qualified to comment.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

The principle of having equal support for farmers throughout the EU is essential to balance the need for economically viable agricultural activity with that of environmental protection. National differences such as current UK government policy regarding modulation can create unwelcome differences in the competitive ability of UK farming.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

To improve the environmental sustainability of UK agriculture and meet the needs of growing consumer demand and resilience to climate change, the maximum productivity per unit of land and energy input into a crop is a key goal. This requires the rapid uptake of authentic seed of new improved plant varieties and the application of new technology. These activities rely on a strong legislative framework for seeds marketing, plant variety rights, plant health and also authorisation for cultivation of GM crops.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

All of the above legislative frameworks are ineffective if they only address a market that is as small as the UK. Economically viable plant breeding and research investment relies on access to multiple country markets and therefore EU and international legal frameworks are needed. UK interests in terms of retaining jobs and investment in plant breeding and crop research in the UK are best served by a full and effective engagement in EU level decision making process

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

The achievement of fully harmonised EU agriculture markets is of great benefit to UK economic activity. Legislative frameworks in particular should be EU wide. However, EU decision making process appears not to be able to represent member state governments positions and therefore is currently malfunctioning.

### **Lackan Cottage Farm**

**Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. - Q15.** Not Answered

### **Laidler, Dr. Keith**

**Q1. Should the EU have competence for agriculture and plant health?**

As a biologist with an understanding of genetics I feel most strongly that the EU should not have competence for Plant Reproductive Material (seeds) and most especially not for Plant Reproductive Material intended for gardeners.

It is nonsense to regard Individual citizens' gardens and allotments as equivalent to large scale agricultural enterprises. The former is a completely different sector to the latter, and does not require or need strict EU-level regulation.

**Q2. - Q15.** Not Answered

### **Linking Environment and Farming (LEAF)**

It is the view of LEAF that EU competence for agriculture and plant health is invaluable to the UK national interest. From an agricultural perspective, the EU

provides an opportunity for Member States to collaborate effectively to ensure European agriculture and markets can compete on a global level. The scale of EU action is a powerful tool for international influence, while internal collaboration and knowledge sharing at an EU level is essential to reach common European goals e.g. Horizon 2020.

The EU's Common Agricultural Policy (CAP) is stuck in an unfortunate cycle of reform. However, when you look at EU action in other areas linked to agriculture, such as the single market, action to combat disease risks or climate change, the strength of Europe is in the exchange of ideas to tackle common issues. For example, one of the biggest risks concerning food is fraud. The EU provides an arena in which Member States with similar ideals can trust each other to work together to reach similar objectives.

LEAF supports the aim of the CAP in ensuring British farmers are not put at a disadvantage compared to other Member States, in terms of the support that they receive. However, while the CAP should deliver practical and pragmatic approaches to ensure food production, it must also ensure the protection and enhancement of the environment. The delivery of public goods needs to be supported (via the CAP Pillar II) at a European level, until this is internalised through market support a focus for the next CAP reform.

It is important to note that EU competence is employed in many ways that heavily impact on agriculture beyond the Common Agricultural Policy. The EU has used its competence to legislate in areas such as pesticides, water and animal health and welfare, which have an equal if not greater impact on farming than the CAP. For some farmers, such as the fresh produce sector and high value crops, the dependency on the CAP and environmental schemes does not have as large an impact as these other EU Directives e.g. the Water Framework Directive.

There are advantages of having a European framework to deliver rural development goals. Europe's biodiversity is shared across the countries and so its management should be shared. Issues affecting the environment and climate change are transboundary in nature, so the quality of the environment or biodiversity in one Member State is dependent on land management in another. As a region, we are all at a risk of the same animal and plant diseases, e.g. brown rot or the Schmallenberg virus. The geography of Europe means that the region must manage risks to biodiversity together.

A short term challenge for the EU is to continue to find commonality between 28 Member States, i.e. common priorities and opportunities for EU action. There is a huge variety of different skills and farm types across Europe which are essentially operating on a competitive basis.

Longer term challenges are to ensure security of food supply; and to safeguard a British and European identity in an increasingly globalised food market. The EU is

best placed to identify common goals and coordinate common European action to effectively compete in a global market.

The mechanisms of the CAP are not currently right, and there is a need to update its core objectives to reflect contemporary issues. The original aims in the Treaty were not designed to confront a globalised world, international trade and climate change.

More generally, LEAF is concerned that the UK public is insufficiently engaged with the EU process. There is a worrying lack of engagement between UK citizens and their MEPs, which doesn't reflect the influence that the European Parliament has in policy-making.

## Little, William

### **Q1. Should the EU have competence for agriculture and plant health?**

I don't believe the EU should have competence for seeds sold to gardeners they should only have competence for commercial growers. Gardeners want to grow a variety of crops in variable climate conditions and different growing seasons from the rest of mainland Europe and the varieties of seeds will not available from agricultural suppliers.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

The EU approach to agriculture does not take into consideration the variable climate experienced in the northern parts of the UK. The seasonal differences between mainland Europe and Northern Britain disadvantage the UK

**Q3. - Q15.** Not Answered

## Llewellyn, Deborah

### **Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. – Q15.** Not answered

## Lockwood, Richard

**Q1. Should the EU have competence for agriculture and plant health?** NO.

**Q2. - Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Nationally and particularly with reference to Seed Regulation for home gardeners which needs to be brought back into UK control.

**Q7. - Q15.** Not Answered

## Lonsdale, James

**Q1. Should the EU have competence for agriculture and plant health?** Yes.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

Some of the funding for agri-environment schemes comes from EU coffers

**ii) disadvantages the UK national interest?**

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

More. The EU seems keener on more environmentally sensitive farming than the UK government

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

The benefits far outweigh the risks as the risks are relatively easy to mitigate with proper plant health legislation in place

**Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

Much of the funding for woodland creation comes from the EU.

**ii) disadvantages the UK national interest?** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I would prefer the EU to take more decisions as this might result in more environmentally resilient farming and greater promotion of woodland creation and management.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** They are far greener than the current UK government.

**ii) disadvantages the UK national interest?** Not Answered

**Q8. – Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

EU funding helps the UK deliver some of its policy aims e.g. woodland creation targets. The single farm payment and funding of agri-environment schemes also helps.

**Q13. – Q15.** Not Answered

## **Lord, Alan**

**Q1. Should the EU have competence for agriculture and plant health?**

No. This proposed regulation will cause a massive loss of business for hundreds of small holders and ""hobbyist"" growers.

Look on-line at the thousands of small nurseries selling small quantities of seeds for a pound or so per pack. Reckon they are going to stump up 3000GBP to get each one approved?

**Q2. – Q14.** Not answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

They should have \*nothing\* whatsoever to do with this. The CAP has been such an amazing success after all hasn't it.

Governments should just get out of the bloody way and stop interfering where it is not essential. You cost us enough as it is!

Lyn

**Q1. Should the EU have competence for agriculture and plant health?**

No; in particular they should certainly not be making decisions relating to what individual gardeners can grow.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** None as far as I can see.

**Q2 ii). – Q15.** Not Answered

**Lyon, George MEP (on behalf of the Liberal Democrats in the European Parliament)**

**The Rationale for EU Agriculture and Rural Development policy**

Launched in 1962, the Common Agricultural Policy (CAP) was the EU's first and, for many years, only fully integrated policy, paving the way for the EU single market 30 years later in 1992. Founded initially to restore Europe's capacity to feed itself, the CAP has been reformed during the years and refocused on quality, safety and affordability of food and delivering a more competitive EU agriculture sector.

As a result of the reforms the widespread practise of buying up surplus production in the EU market and using export refunds to dump agricultural produce on to global markets is now a thing of the past. The CAP budget has been reduced from almost 75% in 1985<sup>41</sup> to 36% under the current long term budget.<sup>42</sup>

The EU is not alone in supporting its agricultural sector, with most developed countries subsidising food production. This has proven to be a major sticking point in the Doha round of trade talks as well as in the many bilateral trade deals now being pursued by the EU.

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<sup>41</sup> [http://ec.europa.eu/agriculture/cap-post-2013/graphs/graph1\\_en.pdf](http://ec.europa.eu/agriculture/cap-post-2013/graphs/graph1_en.pdf)

<sup>42</sup> <http://register.consilium.europa.eu/doc/srv?l=EN&t=PDF&gc=true&sc=false&f=ST%208288%202013%20INIT&r=http%3A%2F%2Fregister.consilium.europa.eu%2Fpd%2Fen%2F13%2Fst08%2Fst08288.en13.pdf>





[www.economist.com/node/21563323](http://www.economist.com/node/21563323)

Liberal Democrats believe that major reductions in farming subsidies should be ideally achieved as part of a global agreement. We also believe that, in order to meet the global challenges of a doubling of demand for food by 2050 and the urgent need to produce food more while reducing the use of scarce resources, it would be sensible to continue to take concerted action at European level to tackle these challenges through the Common Agriculture Policy.

Constructing 28 different national policies makes little sense and would inevitably result in a disjointed approach that was driven by national self-interest rather than focussing on broader priorities.

### **The EU's Exercise of its Competence**

The [European Commission](#) collaborates with a wide range of stakeholders (through [advisory groups](#), public conferences/consultations) and always conducts impact analyses before drawing up legislative proposals. It also regularly commissions independent studies on the performance of its various instruments. On law-making, the Commission's proposals are decided by the [Council of AGRI ministers](#) of all EU Member States (MS), together with the [European Parliament](#) under the co-decision procedure<sup>43</sup>.

The day-to-day running of the CAP is the responsibility of individual MS. As a policy that receives a considerable amount of EU funds, the effectiveness of the CAP is closely evaluated. The EU's [Court of Auditors](#) plays a major role in supervising expenditure.

### **Benefits to the UK**

The UK's agricultural sector benefits from a single market of 500 million consumers. The European market is the main export market for the UK's agricultural production

<sup>43</sup> [http://europa.eu/rapid/press-release\\_MEMO-13-631\\_en.htm](http://europa.eu/rapid/press-release_MEMO-13-631_en.htm)

with 77% of its food and non-alcoholic beverage exports going directly to the rest of the EU.<sup>44</sup> In 2012 the principal destinations of food, feed and drink exports to the EU were the Irish Republic (£3.2 billion), France (£1.8 billion), Germany (£1.3 billion) and the Netherlands (£1.3 billion)<sup>45</sup>. Here it is important to note that despite the Eurozone crisis, exports to the EU grew by 11.3% in 2011. 4 out of the 5 top export destinations of UK produce are EU MS (Irish Republic (17.4 %), France (10.2%), USA (10.2 %), Germany (7.4%) and the Netherlands (7.1 %) <sup>46</sup> while the UK's largest trade partners for imports are all EU MS - the Netherlands (12.2 %), France (11.6%), Irish Republic (9.3%), Germany (8.7%) and Spain (6.2%)<sup>47</sup>.

In the UK, the total number of people employed directly on farms between 2011 and 2012 stood at 481,000<sup>48</sup> with a total of 3.3 million people, representing 14% of the total UK workforce, employed in the food and drink industry.<sup>49</sup>

Beyond the benefits arising from the single market, UK agriculture also enjoys a level playing field from measures taken at EU level that ensure fair trading conditions with a common set of objectives, principles and rules.

The EU framework addresses a number of trans-national issues including cohesion across countries and regions, cross-border environmental problems, water management, biodiversity, animal health and welfare, plant health and public health which could not be tackled easily at a national level.

### **Impact on UK agricultural and Food industry if we left the EU or policy was renationalised**

While the CAP is far from perfect, the truth is that there has been no serious attempt to explain what an independent British agricultural policy would look like and what the consequences, particularly financial, would be. In order to fully appreciate the outcome of the above scenario, a number of factors need to be considered.

As previously noted, the UK benefits from a free market of 500 million consumers. An exit from the EU would end our ability to influence future rules governing access to this market, which is so vital to our food industry.

Many argue that since the UK is a net importer, the EU would not reinstate trade barriers. This seems to be a rather dubious proposition at the mercy of uncertain and unprecedented 'brexit' negotiations between the EU and the UK. If the UK wished to lower its tariff barriers with the rest of the world it would not, under WTO rules, be able to apply higher barriers to the EU. Therefore, the ability of the EU to export to the UK would be protected but the reverse would not apply.

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<sup>44</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/208436/auk-2012-25jun13.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/208436/auk-2012-25jun13.pdf)

<sup>45</sup> idem

<sup>46</sup> idem

<sup>47</sup> idem

<sup>48</sup> idem

<sup>49</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183302/foodpocketbo-2012edition-09apr2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183302/foodpocketbo-2012edition-09apr2013.pdf)

If the UK left the EU it would have no ability to influence the future direction of the CAP. In addition, the drive for a more market orientated and globally competitive EU agricultural sector would be undermined. As recent experience of the current reform of the CAP tells us, there is still a strong appetite for a return to protectionism and market intervention in certain countries as the solution to the EU's agriculture problems. In this case, the UK's agriculture and food industry would pay a heavy price in lost markets if that agenda were to succeed in the absence of a powerful UK voice at the top table.

If agricultural policy were re-nationalised, the single market would be undermined as many EU countries would take the opportunity to increase support for their industry. This would cause huge distortions in the single market and leave UK agriculture at a competitive disadvantage. This would inevitably lead to agriculture production moving away from the UK to other more competitive countries in the EU with the loss of many jobs and leaving the UK even more reliant on imports to fill the gap.

For the reasons laid out, Liberal Democrats believe that a collective EU policy preserves the single market and ensures that UK agriculture is able to compete on a level playing field.

#### Further reform of the CAP

While there can be no doubt that the UK Government, with the support of other national governments and many MEPs in the European Parliament, has succeeded in moving EU agricultural policy away from the failed protectionist policies of the past, Liberal Democrats believe much more could have been achieved if successive UK Governments had made CAP reform a higher priority.

Too often political effort has been concentrated on the size of the budget and the UK rebate and not enough priority and effort has been given to reforming how the EU budget is spent, including the CAP. In the current reform of the CAP there was widespread agreement that the global challenges of feeding 9 billion people and developing a more sustainable and competitive model of agriculture should have been at the heart of the reform, yet it was not possible to deliver fully on that agenda.

The UK Government's Foresight Report signalled the way forward with its call for the development of a more sustainable agriculture and a large reduction in food waste. Professor John Beddington, the Government's Chief Scientific Adviser, warned that unless action was taken we could face a perfect storm of shortages of energy, water and food by 2030.

The current reform of the CAP takes substantial steps towards tackling these global challenges. The most radical change will be to the Direct Payments in the CAP with the introduction of greening measures, the flexibility for Member States to target support to help young people into the industry and target tailored support to the most vulnerable Hill and Upland Areas. The greening measures are aimed at developing a more sustainable European agricultural sector able to produce more food while reducing the use of scarce resources.

In future this will mean that nearly 50% of Direct Payments will be targeted at rewarding farmers for delivering environmental services and the delivery of public goods instead of income support. The CAP's share of the total EU budget, which is currently 42%, will continue to shrink to around 36% by 2020.

Liberal Democrats are strong supporters of these changes and, in the European Parliament's first opinion on the reform in 2010, Liberal Democrat Rapporteur George Lyon introduced the concept of greening measures in the Direct Payments. This was with the aim of tackling climate change which was used by the Commission in its legislative reforms and subsequently backed in the final CAP deal. The final agreed structural changes have one major flaw, in that the greening measures are narrowly defined and concentrate exclusively on biodiversity measures. Liberal Democrats believe the measures need to be broadened to incentivise the reduction of greenhouse gases from agriculture as well as tackling biodiversity if we are to build a more sustainable EU agriculture.

The Liberal Democrats wish to see the UK Government build on the current reform in the mid-term review in 2017 and commit the necessary political capital to achieve these goals. The UK must exercise its influence to ensure a reform minded Agriculture Commissioner is appointed in 2014 and by applying the UK's power and influence in both the Council and working with our MEPs in European Parliament.

Another priority area is the simplification of the rules and a corresponding reduction in the cost of administering the CAP. At any time, farm businesses can be subject to inspection by the EU Court of Auditors, DG Agriculture auditors, payment agencies and certification bodies in the Member State. In addition, different farm assurance bodies also conduct inspections.

Liberal Democrats believe that it is not sensible to have four different levels of audit and there needs to be a simplification and rationalisation of the process with a greater focus on policy outcomes rather than monitoring inputs. That should be a priority in the mid-term review as well.

### **Room for improvement on areas of EU Competence**

A record 17.3 million farmers grew genetically modified (GM) crops in 2012, an increase from 16.7 million farmers in 2011. Worldwide, 170.3 million hectares were planted with GM crops in 28 countries – a 100-fold increase since their introduction in 1996. This equivalent to the size Spain, Germany, France and the UK combined<sup>50</sup>.

The current EU framework regulating the cultivation of GM crops has failed. Liberal Democrats believe the UK Government must use its power and influence to end the deadlock in the authorisation process and return to a science based decision making process.

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<sup>50</sup> <http://www.europabio.org/how-many-farmers-plant-gm-worldwide>

Another area of competence that needs improvement is the enforcement of EU animal welfare legislation. Regarding the ban on battery cages and the provision of welfare friendly housing for pigs, many countries have flaunted the new rules and the Commission has very limited powers to enforce the legislation. Liberal Democrats believe that this needs to be tackled and extra powers given to the Commission to ensure animal welfare rules are strictly adhered to across the EU.

## Lyons, Peter

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU has proved singularly incompetent in the area of plant health. Ash dieback is one of a number of diseases that are now rampant in UK because of the lack of control over the movement and inspection of plants. Free movement is an ideal that I don't think is possible with plants.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

I see no advantages to the UK in the EU approach to agriculture. France is the main beneficiary

#### **ii) disadvantages the UK national interest?**

The case of the egg production which has been proven to have low cost eggs imported into UK from illegally caged birds in other nations across the EU is evidence of one disadvantage. There are probably more.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less EU action. The issue of the lbs. and oz. versus metric measurement is a case in point. If some of our people want to use the old traditional methods, why stop them? EU regulation is always over the top.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

There are no benefits in this access in my opinion. Ash dieback is rife in UK because of this access and lack of control.

### **Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

EU directives always lead to negative results. Leaving the forestry policy as is, means that the UK can control its own future.

#### **ii) disadvantages the UK national interest?**

Ash dieback and the other horrible diseases that have arrived in UK from other EU nations.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

There are so many regional variations across the EU it would be much better if regions like the UK, isolated from the rest of the EU by water could make their own decisions to suit the circumstances.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

I don't see any evidence of that.

**ii) disadvantages the UK national interest?**

I don't think that the Council of Ministers or the European Parliament give any advantage to the UK, or any other country.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

There are issues affecting UK agriculture that are not helped by the EU's role. All of the EU's policies tend to be blankets that suit some, but not all. Those to whom these agreements are not helpful have no say, they just have to comply or ignore the legislation, like the poultry cage issue where Eastern bloc countries of the EU are blatantly ignoring the legislation.

**Q9. Considering the single Common Market Organisation: i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

It seems to me that there is no right balance, and very little flexibility. The bureaucrats of the EU cannot see local issues.

**ii) How could current arrangements be improved?**

Cut down on the legislation spewing out from Brussels on issues that do not need legislating on.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

I cannot see any benefit to the UK. Take the eggs and poultry issue. Cheap eggs come from the East of the EU because they use illegal, within the EU, cages. How can the UK producers match that.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

I am not aware of any effect of EU biofuel on anything I am concerned with.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

I don't know enough to have an opinion on this. I have heard however that there are unequal payments to farmers within the 4 regions of the UK regarding sheep on hill farms. This seems stupid to me.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

With global warming speeding up as each year goes past, the way we farm our lands is bound to be affected. I hope the EU moves fast enough to be of help to the farming industry.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Member states should be able to look after their own corner, it appears so far that international agreement will not be forthcoming anytime soon.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I am very dubious about how the EU will succeed in the future. The legislation being produced constantly to me is only being done to keep beauracrats in work. In the vast majority of cases it is unnecessary.

**Maddison, Andrew**

**Q1. Should the EU have competence for agriculture and plant health?**

No-individual choice and democratic rights are being denied as they make all applicable rules for large businesses, farmers and agri-chemical conglomerates-not individuals-the proposed Law/Law changes are at best hugely flawed and at worst blatantly corrupt practices to serve large corporations and deny basic democratic rights and individual choice.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?** Quite simply it doesn't.

**ii) disadvantages the UK national interest?**

One size fits all thinking is flawed and illogical and distribution of subsidies has been proven to be politically motivated and hugely corrupt. As an economically advanced and generally EU conformist Country we pay the cost of following directives but do not receive the same benefits of less conformist, more corrupt (Italy) and less advanced nations. A prime example is the millions in subsidies to tobacco growers, whilst spending billions in anti smoking legislation and information. Quite frankly insane and pure nonsense.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less EU action. The EU is corrupt, incompetent and politically biased.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Every year brings new bio hazards; whether disease, insects or plants. We are galloping to our own destruction through incompetence, greed and corruption.

**Q5. What evidence is there that the current competence over forestry policy:**  
**i) benefits the UK national interest?** I have no knowledge of this area.

**ii) disadvantages the UK national interest?** I have no knowledge of this area.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Alternative-Sovereign nationality.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?** It doesn't

**ii) disadvantages the UK national interest?**

The list is endless, I know it, you know it, we all know it. I believe this is a pointless paper exercise isn't it?

**Q8. – Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Subject; Proposed new EU Plant Reproductive Material law



I am writing to you because I am worried about the proposed new law regulating the sale of seeds within the European Union. Home gardeners have very different needs from farmers and larger scale growers. The law as it is currently drafted does not take account of this difference, and will result in far less choice of varieties suitable for gardeners, whilst benefitting the large agri-chemical companies.

I realise there are some exceptions allowed in the law for 'niche market' varieties, but these are much too limited and are obviously designed to be of NO PRACTICAL benefit to individuals, only the large agri-chemical companies.

This law is being described as for 'consumer protection' but there are no problems as things stand with home garden seed that we need protecting from. The new law will hugely reduce our choice of plants to grow. This is unreasonable given that it will not benefit us in any way. This is not consumer protection-it is the exact opposite, only protecting the interests of the huge agri-chemical companies, not individuals or the environment.

It is not appropriate for seeds sold in small packets for individual gardeners to be regulated in the same way as seeds for commercial agriculture, and as a gardener, I do not want to be limited to growing varieties of vegetable developed for a completely different type of growing. As an individual I want to protect my democratic right of choice, not being forced to accept things designed and beneficial only to large scale producers and the agri-chemical companies.

Home gardeners should be able to choose any vegetable variety they want to grow, in a free market, and not be restricted to a list of 'approved' varieties. Agriculture in the EU is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't need the same degree of regulation. You are obviously designing these laws to promote and protect the interests of the huge agri-chemical companies, and deliberately suppressing and impinging on individuals' rights, and I have to ask...WHY?

I would ask you to change the draft law so that home garden seeds and plants are not covered by the new law.

**Martin, Judy**

### **Q1. Should the EU have competence for agriculture and plant health?**

It may be appropriate for the EU to have competence for aspects of agriculture, but not for all. Animal welfare has been helped by smaller units (nation states) successfully adopting higher welfare standards which are later adopted by a wider area, but would have been unlikely to have been adopted across the whole of the EU initially. Vegetables grown by gardeners should be a matter for small-region regulation, and then only if absolutely necessary. The large climatic variation within the EU, and the reality of unpredictable climate change, requires a responsive and flexible approach.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

I don't know enough about the benefits as I'm not a farmer, perhaps traceability has benefited from EU laws.

**ii) disadvantages the UK national interest?**

In the matter of small-scale vegetable growing, domestic seed-saving, preserving biodiversity and experimentation to meet the demands of a rapidly changing and unpredictable climate, the proposed EU laws on seed licensing will be highly disadvantageous.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Probably less would be beneficial. There are so many competing theories concerning the future of agriculture that it seems wise to keep options open and to allow small bioregions to experiment widely. Organic smallholders, domestic gardeners, agroforestry practitioners, domestic and community hydroponics may all have a contribution to make to food security in the future, along with conventional agriculture.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

This issue is likely to remain contentious, and its resolution can only be helped by greater public awareness and discussion, which can be fostered by encouraging a greater public involvement in food production on a domestic and community level.

**Q5. What evidence is there that the current competence over forestry policy:**  
**i) benefits the UK national interest?** I don't know enough about this

**ii) disadvantages the UK national interest?**

I am concerned about land being bought for commercial forestry by individuals or companies who have no connection or concern for the local communities affected.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally**

There should be regional consultations. Truly efficient agriculture needs to be adaptable and flexible and should engage people at every level, which is hard to do when decisions are taken far away. Morale is low among farmers and smallholders because they feel they are controlled by a remote bureaucracy.

**Q7. Not Answered**

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

There are big problems with the commercialisation of global trade in agricultural products, with too much power going to large corporations such as Monsanto, and not enough consultation with small-scale farmers. Agricultural issues need to have a higher public profile, since food security concerns us all. Food production in post-peak oil times should be far more localised, requiring communities to feel that they have some role to play in decision-making. Producers feel powerless, given that so much of trade and pricing is driven by market speculators, treating food like a non-essential commodity.

**Q9.** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

I don't know about exporting abroad, but anything that limits the choice for small-scale farmers and growers, or prevents them from preserving genetic diversity through growing heritage varieties or raising heritage breeds of animals is detrimental to future agricultural development

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

I don't know about evidence, but I am concerned that diverting agricultural produce, even waste such as straw/haulms, will reduce humus levels in soil and increase the likelihood of soil erosion as well as having an adverse effect on soil health and food quality.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

I don't know enough about this. However, farmers should be rewarded for improving and conserving soil health.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Soil erosion and loss of quality is an issue.

Conflict between automation, mechanisation and GM use on the one hand, and organic mixed farming on the other may well increase. Now that peak oil is upon us, a return to labour-intensive methods on small mixed farms will be better for employment and for soil health during a challenging time as climate change leads to increasingly unpredictable weather conditions. Farmers should be encouraged to move away from dependence on a monoculture and should look at holistic, integrated methods of maintaining soil fertility.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?** Unsure.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Just to reiterate the importance of traditional mixed, organic, labour-intensive farming as opposed to agribusiness with little interest in the long-term health of soils and ecosystems.

## **McChlery, Ian**

**Q1. Should the EU have competence for agriculture and plant health?**

Probably not, its record on regulation in agriculture has proved to be heavy handed, overbearing and expensive far too much one size fits all.

**Q2. – Q5.** Not answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The UK led the world in plant breeding and responsible control of "commercial" varieties i.e. those used in large scale production, cereals, pulses, field scale vegetables, to reduce or eradicate disease this is admirable but to apply the same regulations to all seeds is going to reduce bio-diversity, adversely affect small growers and eliminate thousands of varieties of little used (in the scale of things) seeds which are none the less of great importance to small scale growers.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** None at all

**ii) disadvantages the UK national interest?** The control of rabies and foot and mouth to name but two.

**Q8. – Q9.** Not answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

There are two entirely separate issues here which are the crux of the argument against over regulation. Huge numbers of small producers have no intention of ever entering European markets who will be caught in catch all regulation let those who aspire to supplying Europe be regulated and leave the rest of us alone!!

**Q11.** Not answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

The current single payment is an aberration an ill thought out piece of bungling on a grand scale farms and land lying idle owners of big land areas being paid obscene amounts of public money for what?

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The single farm payment scheme is unsustainable in the long run, does agriculture need support at all, probably not. The major challenge for world agriculture, therefore by extension UK and European agriculture, is sustainability tinkering with seed regulation and side issues like this are to miss the point entirely

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The EU should be addressing the problems of sustainability at macro level not micro managing everything .The UK could follow suit by taking a lead in these matters at national level

**Q15.** Not Answered

**McCue, Helen**

**Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not be able to the decisions about Plant Reproductive Material (that is, seeds) intended for gardeners, UK gardeners in particular who just want the freedom to grow food, swap seeds and explore unusual varieties.

Agriculture in the UK (and the rest of the EU) is a major business. The gardens and allotments of individuals and communities at a local level are a completely different sector, and don't require strict EU-level regulation.

If there must be regulation it should be at a more local level, that is to say it should be the UK government who decide to what extent UK Gardeners are regulated on this matter. We want seed FREEDOM!"

**Q2.** Not answered

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Less EU action. We need more freedom to champion our own agriculture and uphold our own agricultural standards, it would benefit us to be a unique agricultural force not just a generic European one.

**Q4.** Not answered

**Q5. What evidence is there that the current competence over forestry policy:**  
**i) benefits the UK national interest?** Not answered

**ii) disadvantages the UK national interest?**

I think unless the decisions on matters such as forestry are made a local level, e.g. country by country then there will always be disadvantages and cases where implementing EU wide generic policies just do not fit with our own models and our own needs.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Agriculture and plant health is of course an international concern however I feel it must always be approached and regulated on a national and sometimes regional level and we should always have the ability to take full control of our agricultural and plant health concerns. EU and international policies can be effective on wider reaching matters but policies that affect people on a more local level are not always practical or effective and these decisions are usually more beneficial when made at a local level taking into account local concerns.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

I think only UK policy makers can make decisions that truly benefit UK national interest.

**ii) disadvantages the UK national interest?** Not Answered

**Q8. – Q14.** Not answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Just to re-emphasise the point that Gardeners and community groups who want to grow their own foods should not have to deal with and be repressed by the regulations that are intended for large multinational agriculture. We need to get food production back to being local and home grown and this cannot thrive if we have to overcome barriers intended for large companies. It is important that steps are in place to allow local growers and artisan food producers' freedom to share seeds and not be regulated as is they are a greedy corporate company. I believe this objective is best achieved if regulation is brought back to a local level and policy makers have the best interests of the UK at heart as well as an understanding of the needs of the UK people.

**McGiffen, Steffeny**

**Q1. Should the EU have competence for agriculture and plant health?**

I think that the EU should not make decisions about seeds intended for gardeners. Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation

**Q2. - Q15.** Not Answered

**McQuillan, David**

**Q1. Should the EU have competence for agriculture and plant health?**

No - only for the regulation of big business production. For gardeners the EU legislation is limiting the seeds that can be purchased and grown. The seeds suitable for large-scale agriculture are not those suitable for a small veg. plot.

**Q2. – Q15.** Not Answered

**Mills, Richard**

**Q1. Should the EU have competence for agriculture and plant health?**

As a home gardener I feel that the EU should not have competence for Plant Reproductive Material intended for local gardeners. Individual citizens' gardens and allotments are a completely different sector to agriculture, and don't require strict EU-level regulation. I am concerned that EU competence over this area could harm small and local producers and reduce biodiversity.

**Q2. – Q15.** Not Answered

## Millward, June

### Q1. Should the EU have competence for agriculture and plant health?

I feel that the EU should not have competence for Plant Reproductive Material intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

Q2. – Q15. Not Answered

## Mitchell, Chris

### Q1. Should the EU have competence for agriculture and plant health?

My concern about increased interference by the EU into UK agricultural affairs is that of a gardener. I choose to use heirloom seed from specialist suppliers who would no longer be allowed to supply should the EU gets its way. EU regulations should apply to big agricultural business and stay out of the affairs of we hobbyist gardeners.

Q2. – Q15. Not Answered

## Moore, Helen

### Q1. Should the EU have competence for agriculture and plant health?

Seeds and plants for home garden use, small allotment gardeners, should be controlled by UK laws NOT

EU regulations designed for large scale mass production farming.

The EU laws should ONLY apply to large scale farming.

DEFRA states ""In recent years simpler requirements have been agreed for conservation varieties and varieties with no intrinsic value for commercial crop production e.g. varieties intended for gardeners"". This is the important difference and these are the type of seeds that should not be covered by EU regulations but rather by UK law.

### Q2. What evidence is there that the EU approach to agriculture:

i) benefits the UK national interest? Not Answered

ii) disadvantages the UK national interest?



The UK has a history of small home growers who will be DISADVANTAGED by this legislation if seed appropriate for them is not exempted from EU regulation.

Current UK legislation is sufficient.

**Q3. – Q15.** Not Answered

## **Morris, Hilde Mary**

### **Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for Plant Reproductive Material intended for gardeners. Agriculture in the UK is big business. Individual citizens' gardens and allotments are a completely different sector and DO NOT require strict EU legislation.

**Q2. - Q5.** Not Answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

EU regulations should only apply to large-scale farming. Seeds and plants for home garden use should be controlled by UK LAWS not EU rules designed for big farmers.

### **Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

#### **i) benefits the UK national interest?**

It may benefit farmers but it will adversely affect home gardeners

#### **ii) disadvantages the UK national interest?**

**Q8. – Q15.** Not Answered

## **Morris, Rose, University of Leeds**

### **Leeds University Undergraduate submissions to the Review of the Balance of Competences**

**Author name: Morris, Rose**

**Report Title:** What evidence is there that access to EU markets and adherence to common standards on agriculture benefits or hinders UK consumers and businesses both domestically and when exporting abroad?

## **A note on this submission**

This submission was made as part of an assessed piece of work for a final year module at the University of Leeds. “Britain and the EU” covers key historical events and themes in the UK’s relationship with the EU including non-membership to accession, debates over sovereignty, Parliamentary scrutiny, party politics and Euroscepticism. The module also explores key political issues (like foreign affairs and economic governance) to examine how European integration has influenced British politics and been influenced by them but does not provide detailed investigation into specific policies.

Students from this module presented work to the House of Lords EU select committee in its discussion of EU enlargement policy in 2013. This year’s cohort has been asked to respond to one of four questions from the Review of the Balance of Competences. These reports were evaluated on the quality of the data collated, the argument and its presentation. These submissions are therefore presented not as expert opinions from practitioners but from an educated public that is both informed and engaged with the broader issues relating to the UK’s relationship with the EU.

Module leader Charlie Dannreuther would like to express his thanks to the FCO Europe team for their cooperation and to the students for their extraordinary efforts in preparing these reports.

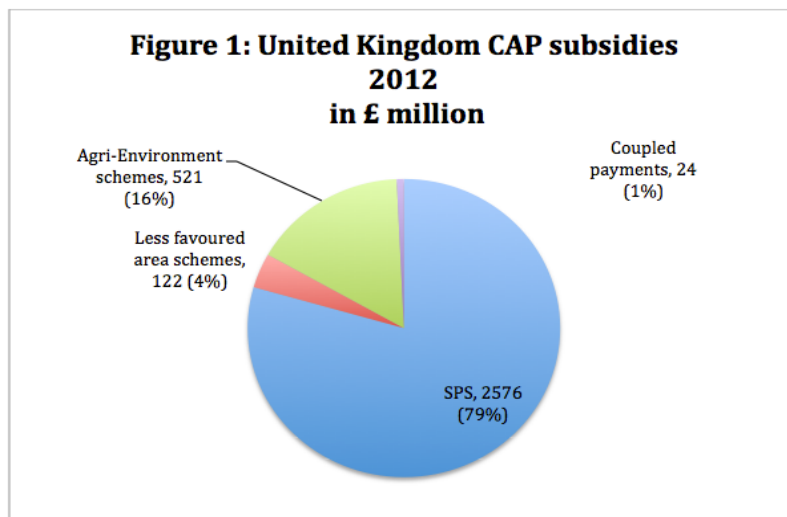
## **Introduction**

With a combined total GDP of around £11 trillion, the EU is the world’s largest single market and is Britain’s largest export market (Chu, 2012; European Movement, 2011). As an EU member the UK participates in shaping the rules that govern the single market and must adhere to its regulations in their imports from and exports to the EU (European Movement, 2011; European Parliament, 2010). In the agricultural sector the Common Agricultural Policy (CAP) regulates production with other laws regulating manufacturing and branding. Whether CAP and market regulations benefit or hinder consumers and businesses is a wide-ranging, politically-charged debate, with evidence to support either argument. The scope of this project it is not sufficient to enable an exploration of all the evidence for these arguments, and so this project will seek to scratch the surface of evidence, specifically assessing the food sector, in order to provide case evidence. The food sector has been selected as it is Britain’s largest manufacturing sector, worth approximately £80 billion, and it is a sector with which UK consumers engage daily (Paterson, 2013).

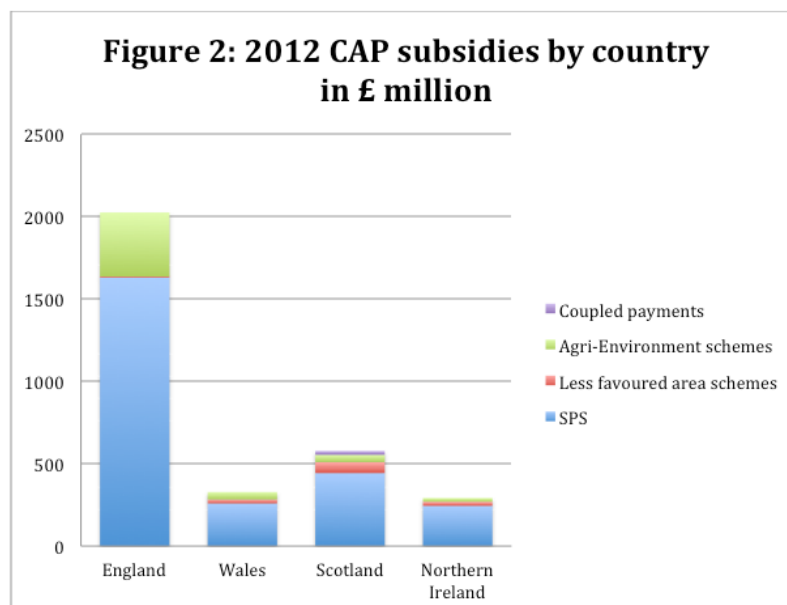
## **CAP**

The CAP subsidises farmers’ incomes and regulates production through a series of Statutory Management Requirements (SMRs), and nationally defined Good Agricultural Environmental Conditions (GAECs). These requirements are referred to as ‘cross-compliance’, and constitute the benchmark on environment management and animal welfare standards, which agricultural producers must attain in order to receive their full subsidy (DEFRA and Rural Payments Agency, 2013; European

Parliament, 2010). In this way CAP directly informs the way farming is practiced in the UK, regulating protections for water sources, fertilizer use and handling of waste products to name a few (European Parliament, 2010). As farming income at the production level is highly volatile and subject to boom-bust cycles, CAP’s aim is to help secure farmers against price volatility and subsidise expenses incurred through adherence to SMRs (European Commission, 2011). DEFRA’s 2012 report of Agriculture in the UK acknowledges this volatility, where the “total income from Farming per annual work unit (AWU)... of entrepreneurial labour (farmers and other unpaid labour) is also estimated to have fallen by 14% in real terms to £25,200”. This was principally due to bad weather, which resulted in lower-than-usual yields and higher inputs for farmers. Given the unpredictability of weather and consequently market prices, adherence to common standards is economically beneficial for farmers, as CAP regulates their income. In this way regulation and subsidies are beneficial, figure 1 and 2 below showing the contribution of CAP to the agricultural sector.



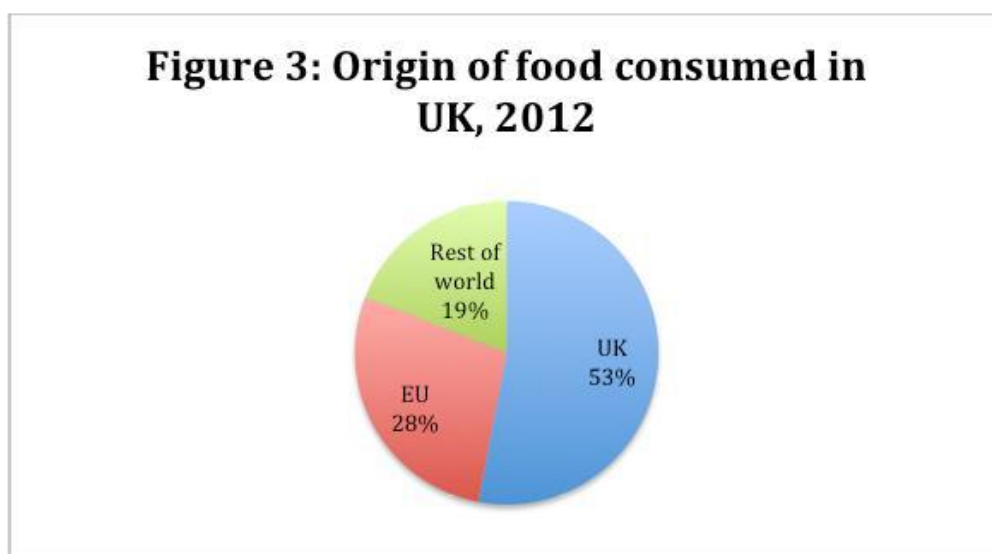
(DEFRA et al., 2013, p. 64)



(DEFRA et al., 2013, p. 64)

## CAP and Consumers

Considering the benefits of CAP for British consumers, figure 3 shows that over 80% of food consumed in the UK was produced within the EU. As indicated in figure 1 nearly 80% of CAP subsidies are financed through pillar one, the single payment scheme (SPS), which is paid directly to farmers. This pillar is entirely financed by the EU budget, where the second pillar of Rural Development Programmes is co-financed by national governments and distributed by different authorities in each country of Great Britain, as seen in figure 2 (European Commission, 2013a). The impetus underpinning the system is that CAP pays farmers 'for the provision of public benefits which have no market value: environmental protection, animal welfare, safe, high-quality food' (European Commission, 2013a). Therefore given the standard of regulations and inspections associated with CAP payments, UK consumers benefit from the assurance that quality standards are maintained (DEFRA, 2013; European Commission, 2012). Furthermore it is in the interest of the British public that agricultural production is environmentally sustainable, given that agriculturally productive land accounts for some 70% of the total land area of the UK (DEFRA et al., 2013). However, critics of CAP suggest that the 'red tape' associated with regulating markets has placed a regulatory burden on farmers (Press Association, 2012). The UK Government does have some degree of flexibility in their implementation of EU laws and have recently sought to reconsider how 'red tape' can be cut, and the application of regulations reconsidered for producers benefit (Cabinet Office, 2013; Paterson, 2014). In this sense regulations can be a hindrance, but there is some flexibility and given that subsidies are paid for adhering to the regulations, and the export opportunity of selling to the EU if standards are upheld, regulations are also beneficial.



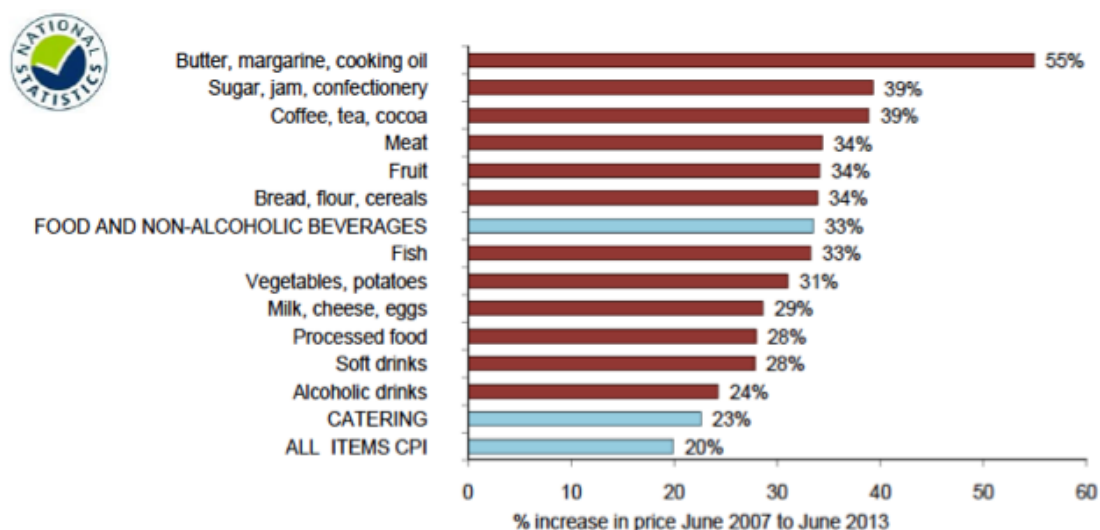
(DEFRA, 2013, p. 26)

## Case study of British Beef

The UK Government has long been sceptical of CAP intervention in the market, however in the case of British beef the EU's intervention in upholding Britain's entry into the market has been beneficial (Geddes, 2013). After the BSE crisis in 1996 British beef exports were blocked until August 1999, at which point they were deemed suitable for export (BBC, 2002). However, France maintained their ban on beef until the European Court of Justice deemed this to be illegal and forced France to drop the ban (BBC, 2001). France's ban on beef is estimated to have cost the industry £300m a year in lost profits, highlighting how significant the cost could have been if EU regulation hadn't intervened (Uhlig, 2002). In this sense, acceptance to the EU markets and adherence to common standards has been highly beneficial to the British beef industry, allowing it to regain lost markets faster than would have otherwise.

Analysing the EU market's influence on prices of commodities for the British consumer is outside the scope of this project as a large number of factors contribute to final prices, however one example can be assessed here. Between 2010-2011 beef prices rose by 32% in the UK, prompted partially by rising food prices due to the recession (as seen in figure 4), extreme weather conditions increased inputs across the EU, but also in the weak pound resulting in increased exports (DEFRA, 2013; Vidal, 2011). Given the UK's access to EU markets, the opportunity to gain more from exports saw British beef prices increase while the weak pound increased the cost of imports. In this example therefore the British consumer was disadvantaged by businesses access to the EU, where businesses were benefitted.

**Figure 4: UK retail price changes by food group 2007-2013**



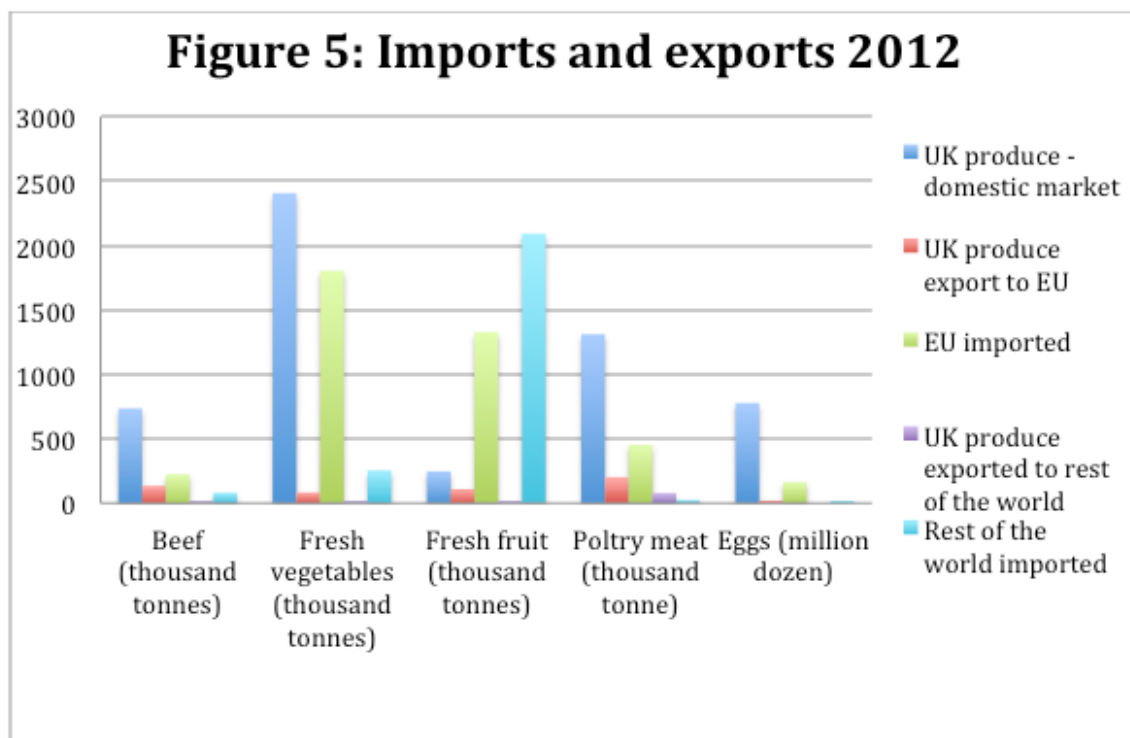
(DEFRA, 2013, p. 21)

## Imports and Exports

Figure 5 depicts the consumption of products in UK and the respective export. It is evidenced that UK businesses are supplying to the domestic market but that with regard to the EU the UK is a net importer. In the case of fruit only a very small proportion of fruit consumed in the UK is grown in the UK. Owen Paterson suggests that 24% of food currently imported could be grown in the UK. Regarding the high level of fruit imports Paterson suggests,

“We can’t grow mangoes or pineapples, but we can encourage consumers and food businesses to buy Scottish raspberries or Kentish apples. This is a huge opportunity, and it’s up to all of us – farmers, food manufacturers and government – to take action. By buying seasonal fruit and vegetable we can improve the nation’s health, help the environment and boost the economy” (Paterson, 2014).

Therefore though the UK farmers benefit from exporting to the EU, they can also be disadvantaged by manufacturers’ decisions to import instead of buying from national stock.



(DEFRA et al., 2013)

The one sector where the UK exports more than it produces is the drinks sector. Drinks were the largest export category in the food sector, worth £6.8bn in 2012, with whiskey accounting for a total of £4.4bn. Indeed sales in Scotch Whiskey have increased by 39% between 2003-2012 (DEFRA, 2013; DEFRA et al., 2013). Currently Scotch Whiskey is protected by geographical identification status, but not through the EU market regulations. This has created problems with counterfeit

whiskeys emerging, a matter which the UK government is seeking to tighten control over (BBC, 2014). Though Scotch is not part of the EU protection schemes, 59 other UK products currently are benefitting from EU regulations of geographical origin of products. Products can be registered and receive a label to promote and protect the names agricultural products, foodstuffs and wines against imitation by recognizing their geographical origin and specialty (European Commission, 2013b). Such schemes help guarantee quality for consumers as well as establishing the brand identity of products. Given that manufacturing and production are secured within the geographical area, this also protects traditional industries and secures jobs. The UK currently has 59 products protected by these regulations. Farming Minister, George Eustice has endorsed the scheme, saying “the Protected Food Name Scheme is a great way to champion our favourite produce and preserve our outstanding heritage”.

## **Conclusion**

There is strong evidence to support both the claims that the EU is a hindrance to British businesses and consumers, and that it is of benefit. This project has identified that there are a number of factors to be analysed in making an overall assessment, and that given the immeasurable nature of the value of environmental safety, food security and agricultural heritage it can be hard to make comparisons. The opportunity to export to the EU naturally presents great opportunity for British businesses, but the corresponding openness of Britain’s market can also increase competition. What is clear is that agricultural production will continue to be volatile, due to its dependence on uncontrollable factors such as weather conditions. This effects imports and exports, businesses, farmers and consumers, and so the overall benefit or hindrance of involvement with the EU is likely to be different at different times.

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## **Mortlock, Tim**

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should not have competence for seeds intended for private gardeners. Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation, this regulation endangers the biodiversity of our country and the many native plant varieties.

**Q2. – Q15.** Not Answered

## **Mourne Farmers**

### **Q1. Should the EU have competence for agriculture and plant health?**

Competence for agriculture and plant health would be better served by local government.

**Q2.** Not answered

### **Q3 Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

As far as N.I farmers are concerned Britain sees our produce as a cheap source of supply for the British supermarkets, N.I processors don't seem to be interested in any markets outside the U.K. The fallout from the horse meat scandal showed that processors and supermarkets alike know no boundaries when it comes to supplying cheap food for consumers. As there has not been any prosecutions of processors or supermarkets, the farming communities feel let down by government. The farming community are still paying for the horse meat scandal through poor prices for beef and tighter controls on their produce, we feel this is evidence enough to have more European action.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Free Trade on plants and animals should not be a free for all to Export or Import disease. Each country should be able to have the option of restricting disease entering their country. Especially Ireland and the U.K who have no land boundaries with any other counties, this leaves us in a unique position which we should capitalize on.

**Q5.** Not answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

See question 4

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

**ii) disadvantages the UK national interest?**

7(1) It may benefit the national interest if the national interest is economic or industrial.

7(11) The National interest doesn't seem to be agriculture and as so doesn't, we believe get the proper support from the council of ministers, therefore we believe this disadvantages the U.K national interest.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

As described in question seven, agriculture does not seem to be very important in U.K national interest as it is usually agri-produce that suffers to promote Economic trade.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

9(1) As we have a unique climate to the rest of Europe we feel that a lot of produce is being sold short, a lot of talk is made about our clean green image but there is no attempt to put valve on our food, farmers here are producing food to the higher quality assured standard, whereas the rest of Europe producing to European standards, this leaves us at a disadvantage.

9(2) If we are expected to produce to a higher standard than the rest of Europe should we not be paid a higher price to reflect this.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Refer to question 9-(1)

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

European fund to farmers seem to be used by processors and supermarkets to pay the farmer less for his beef and sheep, in this regard it has a major negative impact on the sector.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

One of the biggest challenges is to increase the farm gate price of food so the farmer isn't as reliant on European money. In a vibrant rural economy there will be opportunities for farmers and the rural communities.

Rural Development.

This support is seen by many organizations as a way of drawing down funding without having to work. This money could be better targeted at the farming community who would spend it in their local rural area and as such increase employment in rural areas.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

We feel local government must make the effort and realize the importance of agriculture to this country as we have already stated a vibrant farming community can only stimulate the economy, see farmers as a way of sourcing cheap food isn't beneficial to anyone. We produce a quality product and should be paid accordingly.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Farmers who live and invest in the countryside for generations deserve credit for this input, without which our countryside wouldn't be in the excellent condition it is in today. There are too many quangos and government agencies looking for control that haven't got the knowledge or expertise to manage the country side.

## Murphy, Helen

### Q1. Should the EU have competence for agriculture and plant health?

I do NOT believe the EU should control what farmers or home gardeners in the UK can grow. I believe the purpose of these regulations is to control the population through control of its food supply, and that is a very dangerous proposition for food security amongst other things. Fewer varieties/types of fruits/vegetables/plants are becoming available to consumers because of such regulations. Furthermore, individual citizens' gardens/allotments should NOT be subject to any such regulations, we should be allowed to buy/grow/swap seeds without any such restrictions.

Q2. – Q15. Not Answered

## National Association of Agricultural Contractors (Mobile Seed Section)

There are two areas where the National Association of Agricultural Contractors (NAAC) feels that EU legislation directly impacts upon our business.

### Council Regulation (EC) 2100/94

In the mid 1990's this regulation, along with the Implementing Regulation (EC) 1768/95 and the Amending Regulation (EC) 2605/98, set the rules for farm saved seed in the EU. In response the UK set about putting in place a system of royalty collection for its plant breeders. Twenty years later the UK model is recognised as both effective and fair in its collection of royalties from growers wishing to multiply up their own seed stocks. In 2012 ten million pounds was collected through the scheme for UK plant breeders. Implementation elsewhere in Europe has been poor with only a few countries (*names of them would be good*) having set up a system judged as effective. As a result of continued plant breeder lobbying the Community Plant Variety Office (CPVO) set up a series of workshops in 2009/10 to evaluate the current situation regarding farm saved seed and royalty collection. It would now seem inevitable that once the PRM regulations have been reviewed and rewritten Council Regulation 2100/94 will also be reviewed.

Recognising a need for member states to enact 2100/94 to suit their individual agricultural systems the regulations were open to interpretation, this interpretation has probably allowed member states the latitude to create an unsatisfactory royalty collection scheme. It is our fear that should 2100/94 be reviewed and rewritten it will make the farm saving of seed a much more difficult practice. Its value as a route to getting quality seed into the ground should not be underestimated especially in periods of extreme weather where certified seed crops cannot cope with unseasonably high demand, as seen in 2012/13.

We perceive an imbalance of competences in this situation. The UK reacted positively to Council Regulation 2100/94, the majority of EU member states did not. NAAC members and their farming customers potentially face a penalty in the form of restricted access to farm saved seed when they have done all that was necessary to ensure a fair system of plant breeder remuneration was implemented.

### **Hybrid Seed Production**

Council Regulation 2100/94 set out a clear legal basis for breeders of hybrid seed to enjoy an extra level of intellectual property protection not so far afforded by the Plant Breeders Rights (PBR) as set out in the UPOV (1991). Hybrid seed was not permitted to be multiplied by a grower from F1 seed. There is also no free access granted to material between breeders. Hybrid plant breeding was in its infancy as a technology in the 1990s and this protection was designed to support and encourage a fledgling breeding technique.

During the past ten years we have seen a hybrid seed for oil seed rape production achieve a 60% share of certified seed sales and this is set to increase to about 80% by 2016 according to BSPB figures.

Hybrid seed production is a complex process that can and does fail if the weather is adverse. If this technology is embraced for seed production across all combinable crops, and the evidence would suggest that this is a realistic assumption, the UK faces a number of problems:

- The export of our seed production industry (UK weather does not suit hybrid seed production);
- Reliance on other countries for our seed supply;
- Insecure seed and crop production when weather is adverse in the country of seed production;
- Lack of an alternative seed source may lead to inflated seed prices for growers.

Hybrid plant breeders insist that the farm saving of hybrid seed is not viable. There is anecdotal and trials data available to prove that this is not the case. We believe that the farmers should have the chance and the choice to farm save hybrid seed, if it is not economically viable then they will not do so. The NAAC does not believe that the farm saving of hybrid seed needs to be legislated for. In doing so it may encourage breeders to pursue this method of crop production in order to enjoy the current IP protection that it receives over conventional varieties.

## **National Farmers' Union (NFU)**

The National Farmers' Union (NFU) welcomes the opportunity to respond to the Balance of Competences, call for evidence: Agriculture. The NFU represents 47,000

farm businesses in England and Wales. In addition we have 40,000 countryside members with an interest in farming and the countryside. The NFU has responded to a number of previous “calls for evidence” and these can be viewed [here](#).

Regulation is a key issue for farm business. The most recent NFU Farmer Confidence Survey identified that 74% of those who responded placed regulation as the top concern likely to harm their productivity and impact on their business.

The European Union’s ‘Directory of EU legislation in force’ confirms that the agricultural sector has the second highest number of EU legal acts in force, second only to external relations. There are 3268 (as at 1 August 2013) specifically classed as relating to ‘agriculture’. When taken alongside ‘Environment and consumers and health protection’ (a further 1810 acts) it is apparent just how significant a role the EU plays in farmers everyday lives.

The NFU’s objective is to ensure that the right operating framework is in place to allow our members’ businesses to grow and flourish, ensuring that UK farmers can continue to make a meaningful contribution towards addressing the global challenges that society faces.

## **Key points**

### **Policy Governance**

- At each level of governance and policy development, there must be strategic leadership to embrace science based rules that keeps moving the agriculture industry towards greater market orientation and global competitiveness.
- There is a high degree of scepticism amongst English farmers that regulatory action agreed at the national level would better serve their interests as operators in the EU common market.
- Whilst UK farmers continue to operate in the European common market for agricultural products, the NFU believes that it is appropriate that the rules necessary for the proper functioning of that market be agreed at the European level.
- UK’s interests would benefit from ongoing critical evaluation of the *acquis communautaire* to ensure that the legislation in place is relevant, science based, necessary for the continued functioning of the common market and is effectively enforced to ensure no distortions of competition prevail.
- The governance arrangements for EU agricultural policy are now close to impossible, with 28 Member States and co-decision with 3 institutions (Commission, Parliament and Council). Over the course of the CAP negotiations, the European Parliament and Council of Ministers introduced thousands of amendments furthering individual interests.
- To avoid protracted and complex rule making, the NFU would suggest that the primary legislation should consist of a very simple set of rules with limited opt

outs or deviation from the standard form. Matters of detail should be left to the discretion of the Member State.

## **CAP**

- The creation of the common market in agricultural goods necessitated the creation of a common agricultural policy to minimise distortions of competition which otherwise would have persisted were countries to have retained their own different agricultural policies.
- The NFU believes that the policies that comprise the CAP should be pared right back to the primary objective of increasing agricultural productivity by promoting technical progress and rational development of agricultural production. Initiatives relating to the social development of the agricultural sector should be left for national competences.
- The NFU questions the relevance of EU competences on elements of rural development policy. Measures such as increased farming competitiveness, support for less favoured areas and risk management should remain as EU competence; since it can be argued that intervention in these areas can have a direct or indirect impact on a farmer's ability to compete on the common market vis a vis another European farmer. Other aspects should be left to National decision making.
- The CAP continues to play an incredibly important role in underpinning UK agriculture. Over the past 5 years total income from farming has increased, however in 2012 CAP support payments accounted for 68% of Total Income from Farming (TIFF) and prior to 2007 CAP support was consistently greater than the TIFF.

## **Access to the EU's common market**

- The EU is the largest single market in the world with over 500 million consumers and is the largest trader in agricultural products globally. The combined import, export value of agricultural goods was €203,542 million in 2011<sup>51</sup>. This compares to 62 million citizens in the UK and a combined import, export value of €70,779 million
- Access to EU's single market is of significant benefit to agriculture. In 2012, the UK exported £12.1 billion worth of food and non-alcoholic drink. The EU market accounts for 76% of the total UK export of agricultural products.

## **UK influence in Europe**

- Despite negotiating from a position of theoretical strength; the UK has 73 MEPs (the third biggest number) and is one of the top 4 most powerful in the council, the UK Government often appears isolated, primarily as a result of its failure to build strategic alliances

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<sup>51</sup> [http://ec.europa.eu/agriculture/statistics/trade/2011/eu27-chapter\\_en.pdf](http://ec.europa.eu/agriculture/statistics/trade/2011/eu27-chapter_en.pdf)

- It does not help the UK cause to achieve greater negotiating influence that in recent European Parliament elections voter turn-out has been significantly lower than the EU average; 34.7% compared to 43% in 2009. A number of UK elected MEPs regularly refuse to take part in debates and votes that would serve the UK interests.

### **Plant health**

- EU competence in certain areas is already compromising UK's ability to adopt new and existing technologies. The EU legislative process for key agricultural technologies and innovations is dysfunctional, not fit-for-purpose. Current examples of most concern to UK agriculture are GMOs and crop protection products.
- The evaluation of plant protection product actives at European Level reduces the cost and administrative burden on Member States and on chemical manufacturers.
- The major concern with regards to the current EU approach on plant protection products is overly precautionary EU regulation, such as hazard cut off criteria on PPP's. The NFU has previously registered its concerns on EU regulation of pesticide, identifying the need for a risk based approach to registration of pesticides and the drinking water standards on pesticides levels in potable water.

### **R&D**

- The research funding available through the EU framework programmes boosts considerably the money UK scientists and the private sector can access. This can have considerable positive impact. For scientists, farm businesses, consultants, advisers and others working in the wider agriculture industries, EU action on R&D gives them the opportunity to work with their counterparts across Europe.
- The NFU would like to see the influence of EU's scientific institutions including EFSA, the Joint Research Centre, the Science and Technology Advisory Council and the Commission's Chief Scientific Adviser significantly boosted.

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| <h3><b>Q1. Should the EU have competence for agriculture and plant health?</b></h3> |
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It is important to recall why the EU has competence for agriculture and plant health. Before Europe had a common market, each country had its own agricultural policy (and Britain had its own before we joined the EEC). The creation of the common market in agricultural goods as per the Treaty of Rome necessitated the creation of a common agricultural policy to minimise distortions of competition which otherwise would have persisted were countries to have retained their own different agricultural policies.



The Treaty on the Functioning of the European Union stipulates that “*the operation and development of the internal market for agricultural products must be accompanied by the establishment of a common agricultural policy*”<sup>52</sup>.

Across the world, countries implement specific policies for agriculture. It is evident from work carried out by the OECD that all OECD countries and many emerging economies<sup>53</sup> continue to support their agricultural sectors through specific policies”. In 2010, OECD agricultural ministers<sup>54</sup> recognised, “*the necessary institutional, regulatory and policy frameworks are in place to enable markets for food and agricultural products to function efficiently, effectively transparently and fairly*”

Whilst UK farmers continue to operate in the European common market for agricultural products, the NFU believes that it is appropriate that the rules necessary for the correct functioning of that market be agreed at the European level. The NFU seeks a common level playing field where UK farmers are able to compete on an equal footing with other European farmers. The EU’s internal market is increasingly aligned with the global market. We support this direction of travel and ultimately we seek actions and outcomes that ensure UK farmers are able to compete on global markets.

With respect to plant health policy, the evaluation of plant protection product actives at European Level reduces the cost and administrative burden on Member States and on chemical manufacturers. It also ensure access to new actives is available at the same time across all Member States, economies of scale are advantageous to access to new and innovative technologies and registration of new actives in a larger trading block in advantageous to early access.

Development of a zonal approach to plant protection products registration under EC regulation 1107/2009 facilitates harmonisation of product access across comparable MS, however, UK producers continue to be disadvantaged by ‘Gold plating’ at UK level on registration of individual products such as IPU herbicide.

## **Q2. Advantages and disadvantages of the EU’s approach to agriculture and plant health**

### The “EU’s approach”

Throughout the call for evidence, the document talks about the “EU saying this” or “doing that” or requiring the other. It rarely recognises that the EU is made up of Member States and an elected European Parliament that make these decisions- they do not just happen at the whim of any one institution, for example the European Commission.

An increasing concern is that as a result of successive enlargements of the EU, there has not been enough time or recognition of the structural differences in

<sup>52</sup> Article 38 TFEU

<sup>53</sup> OECD Agricultural Policy Monitoring and Evaluation 2013

<sup>54</sup> <http://www.oecd.org/tad/communiquefromtheministers-meetingofthecommitteeforagricultureatministeriallevel.htm>

agriculture across the EU. Given so many new voices around the negotiating table, it is inevitable that the interests of the EU Member States are increasingly become more diverse.

The NFU believes the overall aim and principles of legislation on agriculture should be decided at a higher level of governance so that everyone is working towards the same general aim. This suggests that legislative actions in the future may be more suited to directives rather than regulations to allow for decisions that work and are specific to a particular area.

### The EU's Single Market

Access to the EU's single market is of significant benefit to agriculture. UK farmers have unhindered market access to the world's largest single market: 500 Mio consumers. In 2012, the UK exported £12.1 billion worth of food and non-alcoholic drink. The EU market accounts for 76% of the total UK export of agricultural products. Whilst overall the balance of trade is negative with the EU on agricultural products, with imports more than double the value of exports, for some sectors (e.g. sheep) the EU is a critical market accounting for 30% of UK production (volume).

### The EU's Common Customs Tariff

It is assumed that if the UK was no longer part of the single market, it would have to apply the EU's Common Customs Tariff on goods from 3<sup>rd</sup> countries. According to the WTO's Trade Policy review for the EU 2013<sup>55</sup>, the average applied rate for agricultural products was 14.8%. This is down from 15.2% in 2011 and 17.9% in 2008 reflecting the higher commodity prices. The UK imported £28.896billion worth of agricultural products from the EU in 2012. The cost of imported product from the continent would significantly increase for consumers in the absence of a continued free trade agreement with EU partners. If the UK remains within the single market, it is reasonable to assume that the UK would be required to retain the common customs code to prevent "carousel trade."

### The Common Agricultural Policy

The CAP is more than 50 years old and has continued to evolve during that time to ensure that Europe's consumers have access to safe reliable supplies of food. Evidence that the EU approach to agriculture is in the national interest includes the fact that we have very few food scares and that we have produce on our shelves that has never been so varied and of such a high standard. Most EU farmers earn a good standard of living with agricultural income rising in the UK by 37% between 2005 and 2012, compared to increase of 29% across the EU. The document points out the economic benefits to the country of agricultural production and the impact on upstream industries – having a thriving farming and food manufacturing industry must benefit the national interest and is also an opportunity for growth and further diversity within the economy. Rules introduced by the EU mean that consumers also

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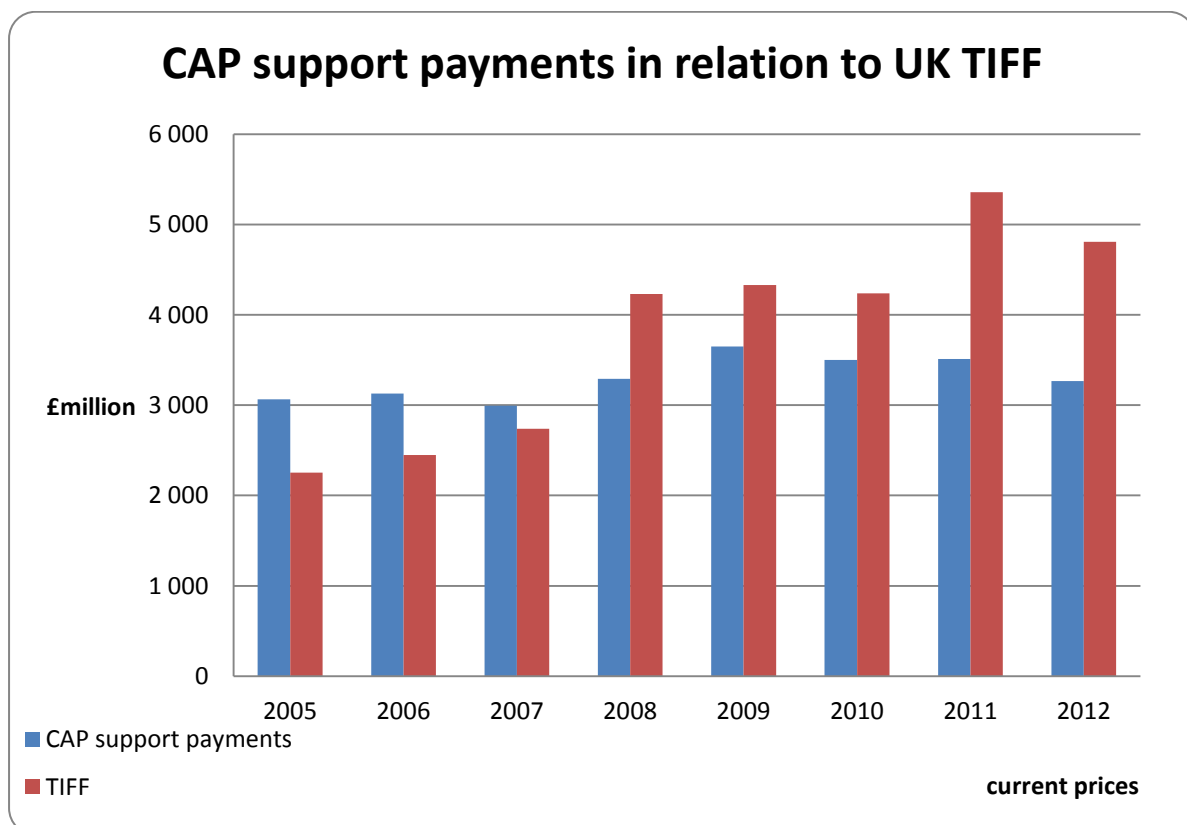
<sup>55</sup> [http://www.wto.org/english/tratop\\_e/tpr\\_e/s284\\_e.pdf](http://www.wto.org/english/tratop_e/tpr_e/s284_e.pdf)

expect higher standards on things that are not purely economic such as level of inputs, animal welfare and environmental standards.

Working closely with our neighbours on the rules and regulations to produce food, our most vital resource, is in the national interest. We can learn from others and bring those practices back to our own industry to develop and improve it.

The UK has been allocated €27.7 billion in direct payments and rural development budget for the period 2014-2020. The most significant financial element of the CAP is the direct payments, which totals €25.1 billion. On an annual basis this amounts to around £2.88bn<sup>56</sup> to UK farmers. Over the past 5 years total income from farming has increased, however in 2012 CAP support payments accounted for 68% of Total Income from Farming (TIFF) and prior to 2007 CAP support was consistently greater than the TIFF.<sup>57</sup> (graph 1) For many farmers CAP support remains of incredibly significant importance.

**Graph 1.**



Over recent decades, the CAP has been reformed significantly, most notably the 1992 “McSharry” reform, the 2003 “Fischler” mid-term review and the 2008 “Fischer Boel” Health Check. The effect of these reforms, accompanied with increases in international commodity prices, has been to reduce the producer support provided to

<sup>56</sup> €1:0.8

<sup>57</sup> <https://www.gov.uk/government/publications/total-income-from-farming-in-the-uk>

farmers, increase market orientation and align European market prices more closely to global markets.

- *“The Producer Support Estimate has declined steadily over the past few years both as a percentage of gross farm incomes and in Euros: in 2011 the PSE was €74 billion (17.5% of gross farm receipts) compared to its peak of €105 billion or 38% of gross farm receipts in 1999.” (WTO Trade policy review EU 2013)*
- *“Although CAP reforms have contributed to the decline in support, another factor has been the increase in international prices which, along with reductions in intervention prices, have reduced the difference between prices within the EU and those at the border. The reduction in the difference between border and internal prices is reflected in the decline in the Nominal Protection Coefficient for producers to 1.03 (meaning that, on average, border and internal prices are almost the same) and in market price support which has become a relatively small component of total support to agriculture.” (WTO Trade policy review EU 2013).*

The NFU has consistently supported the direction of travel towards greater market orientation and decreased dependency on support payments. It is therefore incredibly disappointing that the latest round of CAP reform, negotiated in 2011-2013 under Commissioner Ciolos appears to the NFU to contradict those objectives. The introduction of blunt “greening” rules that require farmers to grow a certain number of crops irrespective of market demand, the opportunity for Member States to reintroduce “blue box” coupled support payments, the focus on incentivising small scale semi-subsistence farming and the general lack of meaningful focus and efforts to develop functioning supply chains all contradict the primary objective of the CAP; *“to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour”*.

The NFU believes that the policies that comprise the CAP should be pared right back to the primary objective of increasing agricultural productivity by promoting technical progress and rational development of agricultural production. Initiatives relating to the social development of the agricultural sector should be left for national competences.

### International dimension

The EU is in the process of negotiating preferential trade agreements with an unprecedented number of third country partners. The European Commission states that if it were to complete all its current free trade talks tomorrow, this would add 2.2% to the EU's GDP or €275 billion. This is equivalent of adding a country as big as Austria or Denmark to the EU economy. In terms of employment, these agreements could generate 2.2 million new jobs or additional 1% of the EU total

workforce.<sup>58</sup> However, in the past the EU has been the world's largest net importer of food, using an equivalent of an additional one third of its utilised agricultural area to import food, with the UK among the leading contributors to this phenomenon<sup>59</sup>.

The EU is the largest single market in the world with over 500 million consumers and is the largest trader in agricultural products globally. The combined import, export value of agricultural goods was €203,542 million in 2011<sup>60</sup>. This compares to 62 million citizens in the UK and a combined import, export value of €70,779 million.<sup>61</sup> It is doubtful that the UK market alone would generate the same degree of interest amongst so many partners and the UK Government would most likely prioritise gains in other sectors (such as manufacturing and services) over national interests in agriculture.

As a net exporter in agricultural goods, the EU has significant offensive interests in a number of agricultural products and this is replicated at the UK level. However, one of the EU's sensitive products is high quality grass fed beef. The UK is the fourth largest producer of beef and veal in the EU. An impact assessment on the Mercosur FTA, carried out by the JRC in November 2011 found that in the worst case scenario, the UK would be the second worst affected Member State in terms of agricultural revenue per ha of UAA behind Ireland, and that the production of beef would decline by around 7% across the UK. The EU recognises this potential impact on farming and continues to negotiate for a balanced agreement. This is in contrast to the UK government, where a strong commitment to concluding an agreement with Mercosur is maintained despite the negative impacts on the agricultural sector.

### Plant health

The EU aims and approaches mirror the UK aims and approaches on plant health. For example the recently published UK Tree health and Plant Bio-security Report has recommended a number of potential biosecurity measures that mirror proposals in the EU Plant Health Law such as removal of baggage exemption for general public carrying plant materials from 3<sup>rd</sup> countries and development of risk ranking of pests.

In addition an overall strengthening of EU regulations on plant health risk, traceability and data sharing between Member States reduces the risk of spread from a source point without inhibiting trade, rather than trying to manage risk at the end point or interception point.

However the EU proposal to develop a Priority Pest list for the Union without regionalised categorisation of pests will be a one size fits all approach to pest prioritisation which is likely to be inappropriate to UK needs. The UK position has

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<sup>58</sup> [http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc\\_150129.doc.pdf](http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc_150129.doc.pdf)

<sup>59</sup> OPERA 2010: EU agricultural production and trade: Can more production efficiency prevent increasing 'land-grabbing' outside of Europe  
[http://operaresearch.eu/files/repository/20111021145704\\_Final\\_Report\\_Humboldt\\_Opera.pdf](http://operaresearch.eu/files/repository/20111021145704_Final_Report_Humboldt_Opera.pdf)

<sup>60</sup> [http://ec.europa.eu/agriculture/statistics/trade/2011/eu27-chapter\\_en.pdf](http://ec.europa.eu/agriculture/statistics/trade/2011/eu27-chapter_en.pdf)

<sup>61</sup> AG in UK 2012

been reflected upon within the Commission on Diabrotica (Western Corn Rootworm) where the Commission is considering deregulating the pest and passing responsibility back to individual Member States.

The NFU has previously registered its concerns on EU regulation of pesticide, identifying the need for a risk based approach to registration of pesticides and the drink water standards on pesticides levels in potable water. Please see NFU comments in the Farming regulation taskforce (2010), the business led taskforce on EU regulation (2013) and the Red Tape Challenge (2013).

The major concern with regards to the current EU approach on plant protection products is overly precautionary EU regulation, such as hazard cut off criteria on PPP's. This in turn leads to increasingly precautionary and poorly evaluated decisions and regulation such as the recent restriction on Neonicotinoids and the Bee Guidance document. Such decisions impact on UK business viability and global competitiveness.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Regulation is a key concern of farmers. It is worth noting that some of the European legislation, most particularly in the field of environment (for example the IPPC directive) was borne from legislation originating in the UK. There is no doubt that the UK's interests would benefit from ongoing critical evaluation of the *acquis communautaire* to ensure that the legislation in place is relevant, science based, necessary for the continued functioning of the common market and is effectively enforced to ensure no distortions of competition prevail. It is essential that when proposing new legislation that it is debated and recognised early on whether EU action is truly required. An example of poor EU action would be around the proposed EU Soil Directive.

With respect to the UK Government's willingness and ability to "champion" a competitive food and farming sector, it is worth considering the following Government policy initiatives

### **1. HM Treasury and Defra 2005**

HM Treasury and DEFRA jointly released on 2 December 2005 a document setting out "A Vision for the Common Agricultural Policy". At the time the NFU did not quarrel with most of the objectives of agricultural policy as outlined in the document.<sup>62</sup> However the NFU's major concern with the 2005 Vision was the Government's failure to present a "roadmap" of how those objectives would be practically achieved and whether progress at the national level was conditional on developments at EU level. The timing of the document (immediately prior to the 2005 MFF negotiations and the Hong Kong WTO Ministerial) coupled with the lack of

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<sup>62</sup> <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmenvfru/546/546ii.pdf>

clarity over the document's intended audience marginalised the UK Government amongst Council of Minister colleagues and the European Commission.

Rather than being a helpful addition and an opportunity for the UK Government to show leadership by presenting a credible case for continued reform, the HMT and Defra vision document further type casted the UK Government as anti- CAP, thereby isolating itself further from colleagues in the EU. The entire exercise was an example of how not to go about influencing EU partners. Furthermore, the threat of distortions to competition and resulting inequality in the treatment of farmers across the EU that would arise from the implementation of different policies and difference in levels of support in different Member States has since 2005 increased and is set to increase further once the CAP reform post 2014 comes into effect.

## **2. Natural Environment White Paper**

The Government's Natural Environment White Paper 'The Natural Choice: securing the value of nature', published in June 2011, was the first White Paper on the Natural Environment in England for 20 years. No new Bill or changes to legislation were proposed within the White Paper. Instead, it outlined a series of on-going and future actions for government, civil society, businesses, individuals and others, a number of which included commitments for government to work collaboratively with others.

One of the most significant actions in the White Paper was the commitment to "*bring together government, industry and environmental partners to reconcile how we will achieve our goals of improving the environment and increasing food production*". The NFU has long argued that one of the biggest challenges facing farmers and growers in England and Wales in the near future will be their part in meeting the expected global demands to produce more food, but with less of an impact on the environment, so this action was particularly significant but also that government, industry and others would be brought together to work collaboratively to help find solutions.

Other actions in the White Paper included:-

- Improve the way government bodies work together so they provide more coherent advice and are easier to work with; and
- Carry out a full review of how government provides both advice and incentives for farmers and land managers, to create an approach that is clearer, more joined-up and yields better environmental results.

Farmers are bombarded with differing and sometimes competing messages on environmental priorities from various bodies and organisations so government commitments to provide a more coherent and joined-up approach to addressing and communicating environmental issues to farmers were very welcome. It would be welcome for the European Commission to adopt similar thematic strategic approaches to dealing with challenges faced by agriculture.

### 3. Green Food Project

As outlined above, the 2010 publication of the Natural Environment White Paper included a specific commitment from government to work with industry to examine how the goal of improving the environment can be reconciled with increasing domestic food production. As a result, the Green Food Project, which the NFU was heavily involved with, was launched by Defra in mid-2011 to address this very challenge.

Although the impact of domestic food production on the global food security picture is relatively small, our actions and the decisions of policy makers have global implications. There are many ways in which we can contribute to address this challenge, including capitalising on our comparative advantages such as our historic farming legacy, climatic conditions and world leading scientific credentials. However, the NFU believes that the Green Food project fell short of tackling the critical “exam question” of resolving the tensions associated with improving the environment and increasing production.

These lessons learnt from the project are especially pertinent given the increasing interest in sustainable production systems with the recent European Commission consultation that closed on 1 October and the expected Commission Communication on this issue in 2014. If the blueprint for the Green Food Project were replicated at a European level, then key principles from the NFU’s perspective would include:

- Whilst Government heralded the project as an example of a new style of open policy making, in practice it meant there were lots of tensions between agricultural and environmental representatives, particularly regarding the scope of the work. The process highlighted a reluctance of stakeholders to step outside their policy comfort zones. This often resulted in retention of the status quo and little in terms of new thinking or breaking through the lowest common denominator and progressing consensus.
- Defining the ‘exam question’ at the outset is critical and the broad focus of GFP ultimately made it too big a challenge.
- A realistic timeframe and project plan is needed so as to not overwhelm stakeholders from the start. Whilst the GFP aimed to complete its activities within the span of one year, it was clear from the outset that the scale of the task was always likely to make it difficult to come out with a comprehensive, specific suite of recommendations after 12 months.
- Not forgetting that the strong focus on agriculture is misleading and ignores the common responsibility of all players along the food chain. An approach from farm to shelves needs to be taken.
- Responsibilities and timeframes for any follow-up actions need to be assigned otherwise stakeholder ownership and ultimately, momentum is lost.



Despite its shortcomings, the project did make some helpful conclusions in its 2012 report, which have helped advocate the role of domestic food production and reaffirm its wider contribution to food security. For example, amongst its conclusions it states that *“domestically a more competitive, profitable and resilient farming and food industry is needed”*. It also concluded that *“we have a moral obligation to do what we can both domestically and through our influence on other countries to help address the critical long term food security issue, as well as the more pressing issue of hunger in some parts of the world”*. A follow-up project tasked with looking at sustainable consumption also flagged up the opportunities that championing British food production can make towards sustainability and growth.

Of the many recommendations which were made by the project, some have resulted in actions that are ongoing and have since been picked up by other initiatives or policy measures. For example, the UK Government has launched an Agri-tech Strategy to look at research and development (see below) and the next rural development programme will look at Knowledge Exchange and competitiveness. Defra also pledged to continue to argue for decisions on new agricultural products to be science-based and allow fair and more predictable market access for products that have undergone a thorough risk assessment

#### **4. Agri-tech July 2013**

The NFU agrees with the Government’s view to select agriculture as one of the UK’s eight great technological industries, given its importance in addressing challenges of food security. The practices, technologies, tools and services that UK farmers already use are grounded in science and research. Innovation and technological development will play an increasingly important role in enabling farm businesses to become more productive, resilient and competitive.

For these opportunities to be fully realised, there must be a strong science base engaged in highly-relevant and impactful research; a clear pipeline to commercialisation; widespread knowledge-exchange activity; and effective skills and training provision. This can only deliver to its full potential if agricultural policy and regulation is working towards the same goals. The industry needs to see tangible, long-term policy and regulatory clarity to make the landscape attractive to innovation and delivery to market. EU action in all these areas ultimately has a significant impact on the UK farming industry.

The research funding available through the EU framework programmes boosts considerably the money UK scientists and the private sector can access. This can have considerable positive impact on areas that may be out-competed within core strategic themes of UK funders or involve niche subjects. By joining EU consortia, our scientists can win significant grants. This could then help build expertise, establish strong relationships and strengthen the UK agricultural science base.

For scientists, farm businesses, consultants, advisers and others working in the wider agriculture industries, EU action on R&D gives them the opportunity to work

with their counterparts across Europe. Horizon 2020's focus on involvement of SMEs including farming sector businesses is to be welcomed. This allows sharing of best practice and can lead to some valuable working relationships that persist beyond the life of the project. An example is the European Cattle Innovation Partnership established in June 2010 and using UK Technology Strategy Board and Biosciences Knowledge Transfer Network support. One can envisage such partnerships developing through the proposed Agri-Tech Centres for Innovation.

Some of the UK levy organisations, under the AHDB, make use of EU contacts, collaborations and funding streams to work with their counterparts in other EU countries. British farmers can learn a great deal from exposure to farming systems and businesses in other countries. It is hoped that the European Innovation Partnership on Agricultural Productivity and Sustainability will facilitate more of these activities. However, to allow the UK to extract full value from this mechanism, Defra must ensure the design of the rural development programme is conducive to using funds in this way.

On the other hand, EU competence in certain areas is already compromising UK's ability to adopt new and existing technologies. The EU legislative process for key agricultural technologies and innovations is dysfunctional, not fit-for-purpose. Current examples of most concern to UK agriculture are GMOs and crop protection products. There are also serious problems on the horizon with livestock cloning and nanotechnology. The emotive nature of these technologies makes them subject to political involvement that reflects personal views and national politics. The resulting decision-making and interventions in the regulatory process are not based on sound scientific evidence. The ACRE reports on GMO legislation published in August 2013 should form part of the evidence to this consultation. See also NFU response to BIS's call for evidence on R&D balance of competences (31/07/13).

There is potential for national decision making to be introduced for GM crop commercialisation in the EU. However, the basis on which this proposal has been made is to enable Member States to use socio-economic arguments specifically not based on science to ban a crop in their jurisdiction. It is not at all certain that this ability would lead to them to vote for approval of new GM crop variety and it would embed unscientific decision making into the formal process. This is certainly not conducive to attracting investment in new technologies into the UK or the EU more widely.

#### Plant health

Increased EU co-ordination of plant health activities and increased co-operation through data sharing /monitoring should ensure commonality and improve risk management. Many risk assessment undertaken by FERA plant health services identify data sharing as a problem, experience with Ash dieback point to a need for closer working and co-ordination.

On PPP the development of an EU minor uses fund to facilitate data generation and sharing for registration requirements on speciality crop would improve the access of UK growers to PPP. However such a decision has long been delayed at EU level to the detriment and cost of UK crop producers.

**Q4.** Not Answered

**Q5. What evidence is there that current competence over forestry policy benefit / disadvantage the UK national interest?**

In the European context England's forestry and woodland is a small part of a much bigger European picture. Only 10% of England's land area, around 1.3 million hectares, is covered by woodlands or forests. Over 89 million non-woodland trees contribute further to the 'woodiness' of our urban and rural landscapes. Average woodland cover in the European Union is 37%. Trees, woods and forests play a greater part in people's lives elsewhere in Europe than in England. There are cultural reasons for this, but experience of trees and their products is easier in countries with significantly higher woodland cover.<sup>63</sup>

The current arrangements for national competence on forestry should be maintained. The UK has acted in a flexible way to engage on EU policy areas which have an impact on forestry and the development of the EU Forestry Strategy. There is no evidence to suggest the current arrangements are not functioning, or are damaging English forestry. Strong support for maintaining national competence on forestry has come from some of the EU's most heavily forested countries, including Finland, Sweden, Germany and Austria. If Europe had competency for forestry it would make England a weak negotiator by fact that forestry is such a small part of our economy and landscape. Plus our forests are of a different nature and smaller scale to those countries meaning our circumstances may not be addressed adequately through a European approach.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

There is a high degree of scepticism amongst English farmers that regulatory action agreed at the national would better serve their interests as operators in the EU common market. This scepticism arises as a result of decisions taken by Defra at the national level to implement more radical forms of CAP reform than other EU Member States and regions of the UK, and to introduce more costly and demanding forms of regulation ahead of competitors. Examples include Defra's decision in 2005 to move to a flat rate payment system in England, the application of "voluntary" modulation to unilaterally cut farm payments deeper than competitors and numerous examples of "gold plating" including the introduction of the sow and tether ban, the threat of

<sup>63</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183095/Independent-Panel-on-Forestry-Final-Report1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183095/Independent-Panel-on-Forestry-Final-Report1.pdf)

environmental set-aside and the introduction of the highest number of GAEC conditions of all Member States.

It is debateable whether there is any need for European action in elements relating to rural development. There is significant administrative burden and administrative complexity associated with the RDPE. The policy objectives of enhanced environmental outcomes, rural growth and forestry could be better served at the national level. Accompanying measures such as increased farming competitiveness, support for less favoured areas and risk management would remain as EU competence; since it can be argued that intervention in these areas can have a direct or indirect impact on a farmer's ability to compete on the common market vis a vis another European farmer.

Typically, the UK's food exports makes much of its provenance and this will be characterised in the targeting, and promotion of UK foodstuffs overseas. This approach to marketing has a more strategic fit with the national approach (particularly given much of the UK food exports are currently with other EU Member States) than it does with a wider EU approach. Arguably, a sub-national level (regions and counties) also benefits the marketing and promotion of food and drink products given strong regional identities. Already, devolved governments and regional food groups facilitate a range of activity on food promotion in international markets, trading on the strong provenance attached to specific regions, and in some instances, capitalising on the EU-sponsored Protected Designation of Origin or Protected Geographical Indication status. Clearly, the marketing characteristics for food and drink that work best in an international context do not necessarily tie directly with the national approach taken on trade and investment. However, the critical element is to make sure that the national approach offers the flexibility for promotional activity based on regional identities.

There is already scope through the EU Plant Health regulation for some pest specific measures to be applied at a regional/national level. The NFU believes that better use of this arrangement needs to be made by UK regulators to take advantage of protected zone status where relevant.

The NFU has long outlined its support for the registration of PPP at a zonally harmonised level. The UK would be best served by supporting this approach and ensuring a speedy transition to a regional MS registration. Similar processes are of particular importance to minor and major PPP uses.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

Despite negotiating from a position of theoretical strength; the UK has 73 MEPs (the third biggest number) and is one of the top 4 most powerful in the council, it appears that the UK Government is often overshadowed by other Member States in CAP

negotiations. The key reason for this appears to be the Government's failure to build strategic alliances with like-minded Member States, at the same time smaller countries such as Ireland, Belgium and Finland appear to retain policy flexibilities and specific measures of national importance (e.g. the "Irish tunnel," coupled aids and sugar aids)

It does not help the UK cause to achieve greater negotiating influence that in recent European Parliament elections voter turn-out has been significantly lower than the EU average; 34.7% compared to 43% in 2009. A number of UK elected MEPs regularly refuse to take part in debates and votes that would serve the UK interests.

The governance arrangements for EU agricultural policy are now close to impossible, with 28 Member States and co-decision with 3 institutions (Commission, Parliament and Council). Over the course of the CAP negotiations, the European Parliament and Council of Ministers introduced thousands of amendments furthering individual interests. The final outcome in 2013 was only possible by significantly lengthening the draft legislation in order to accommodate the demands of individual Member States and the European Parliament (61 pages of direct payments proposal, with 193 pages finally agreed). This further erodes the commonality and simplification objectives sought by the NFU for the CAP. The introduction of "delegated" acts which confers great powers of implementation on the European Commission is a further backward step in the EU Governance landscape post Lisbon Treaty. A letter sent by a number of Member States to the European Commission seen by the NFU outlines multiple concerns that the Commission has gone beyond its mandate in the drafting of the delegated acts. To avoid protracted and complex rule making, the NFU would suggest that the primary legislation should consist of a very simple set of rules with limited opt outs or deviation from the standard form. Matters of detail should be left to the discretion of the Member States.

NFU wishes to emphasise that UK nationals are poorly represented in proportion to the size of the UK within the staff of the EU Commission. Data available on the European Commission's website shows that of the total permanent staff of the Commission (23,767). UK nationals comprise 4.5%, Germans 8.4%, French 9.6% and Italians 10.4%<sup>64</sup>. As the only EU institution that has the ability to propose legislation, UK nationals understand first-hand the way our economy, environment and society works but have not been engaging and influencing when the Commission is exploring ideas at the pre-consultation stages before making legislative Proposals.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The strength of the EU trading bloc

<sup>64</sup> [http://ec.europa.eu/civil\\_service/docs/europa\\_sp2\\_bs\\_nat\\_x\\_grade\\_en.pdf](http://ec.europa.eu/civil_service/docs/europa_sp2_bs_nat_x_grade_en.pdf)

Trade policy is a core competency of the EU. The ability of the EU to negotiate and act collectively as a bloc is a major strength of the EU. It is the sheer scale and strength of the EU market place which means that the EU is one of the major players in the global trade decision making arena. The EU is the largest single market in the world with over 500 million consumers and is the largest trader in agricultural products globally. The combined import, export value of agricultural goods was €203,542 million in 2011. This compares to 62 million citizens in the UK and a combined import, export value of €70,779 million.

### The EU in the WTO

The EU successfully negotiated the current global trading rules on agriculture under the Uruguay Round. The specific interests of the agricultural sector are enshrined in the Agreement on Agriculture and in the Agreement on Sanitary and Phyto-sanitary Measures (SPS). Both Agreements prevent protectionist backsliding of agriculture and agricultural trade policy and ensures that the WTO can enforce a rules based system. The SPS agreement in particular ensures members of the WTO have to consult on new regulation and standards, use international standards wherever possible, and operate standards and regulations that are proportionate to public health risk.

It is worth highlighting that were the UK to leave the EU, but remain as a member of the WTO, that WTO rules would prohibit import restrictions solely on the grounds of the production or processing method (PPM). Restrictions are only allowed on the grounds that a product is objectively different and harmful (for example it contains residues of dangerous chemicals). This makes it incredibly frustrating when the EU introduces new rules or standards on internally produced goods, but is unable to apply such standards to imported product (eg enriched cages, processed animal products).

The power of the EU as a trading bloc is integral to addressing any disputes with WTO members, and is considerably greater than that of the UK alone. In general, the EU has increasingly taken into account the interests of industry in regards to trade defence issues. In particular, DG Trade has begun to listen and engage with EU agriculture as it adapts to increasing competition and liberalised trade. For example, in recent years, we have seen reviews of long-standing anti-dumping duties on some fertiliser products remove the additional duties on all but one of the anti-dumping measures on agricultural potash and nitrogen fertilisers. This ultimately benefits the British and EU farming industry, with the European fertiliser market increasingly driven by global dynamics rather than by just the EU supply and demand balance of nutrients. More recently, DG Trade has acted on illegal dumping of biofuels from the Americas by introducing anti-dumping measures which allow EU processors to operate with fair competition.

### **Q9. Considering the single Common Market Organisation:**

**i) How successful are current single common market organisation arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

The regulation which governs the operation of the single common market in agricultural goods: EC Regulation 1234/2007, due to be repealed by EC Regulation 1308/2013 on 1<sup>st</sup> January 2014 has been an effective way of ensuring a functioning common market across the EU. The European Commission considers complaints and investigates breaches in legislation, for example where Member States do not apply common rules and therefore jeopardise the common agricultural policy's effectiveness. Such investigations can lead to infraction proceedings against Member States.

Member State compliance with European legislation in the field of agriculture is generally of a high level. There were 26 open infringement cases in the area of agriculture & rural development at the end of 2012. This was the 11th highest number of cases in the Commission's 21 reporting policy areas<sup>65</sup>. The Commission received 59 complaints in the agricultural area in 2012, substantially fewer than in 2011 (86). It fully closed 45 of these. Complaints mainly concerned: wine and spirits (use of protected designations, membership in a producers' group, respecting the Single CMO rules and principles); quality schemes; and organic farming.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Consumer confidence in markets is essential to their proper functioning. Consumers need to be confident that agricultural products are correctly described and fulfil high standards. A lack of confidence in this area can reduce demand. The Single CMO as it is known includes marketing standards which relate in particular to the quality, grading, weight, sizing, packaging, wrapping, storage, transport, presentation, origin and labelling of agricultural products. Without minimum common rules, there is no guarantee that consumers would receive safe affordable and reliable food supplies.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

The UK's approach to moving towards the decarbonisation of road transport fuel continues to highlight a disconnect between the policy aims that established the 2009 Renewable Energy Directive (RED) as well as the UK Renewable Transport

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[http://ec.europa.eu/eu\\_law/docs/docs\\_infringements/annual\\_report\\_30/sg\\_annual\\_report\\_monitoring\\_eu\\_law\\_131023.pdf](http://ec.europa.eu/eu_law/docs/docs_infringements/annual_report_30/sg_annual_report_monitoring_eu_law_131023.pdf)

Fuel Obligation (RTFO). However an ongoing debate within the EU institutions on Indirect Land Use Change (ILUC) has created a similar level of instability within the UK biofuel industry, with subsequent knock on effects for UK agriculture.

Currently at full capacity the UK biofuel supply chain accounts for 2.2 million tonnes of feed wheat and 20 – 40% of the UK oilseed rape. The annual HGCA Balance sheet demonstrates the impact of the last two years of UK grain deficit with little impact on prices given the global impacts of weather and production. This AMIS FAO report on price spikes and the subsequent production response adds further clarity to the drivers behind global grain price spike and the subsequent impact on food prices. The same report aimed to demonstrate the relationship between bioethanol and grain prices. Instead the report points to energy as one of a number of factors influencing commodity prices, whilst at the same time not acknowledging flexibility in transport fuel mandates as well as co-production of protein meals. The RED provided the stability on which businesses invested within the biofuel supply chain such as Ensus and Vivergo as well as multiple oilseed crushers in the UK, however failure by Government to understand market forces and how these impact on farm has led to a broad disillusionment on farm as well as within the wider biofuel industry.

The widely recognised protein deficit within the EU amounts to 80% of vegetable protein used in animal consumption. Whilst an original driver for the RED was in part to help reduce this deficit on imports an under appreciation of the potential positive impacts the biofuel industry can have on redressing this imbalance. Subsequent effects have been loss of confidence in UK and EU policy makers to provide consistent and stable policy, free from emotive, unfounded arguments. Sadly a lack of a science based argument has seen investment opportunities lost from the UK such as Vireol, a 500,000 tonne ethanol plant in the Humber Estuary as well as no emergence of a second generation industry or biodiesel plant.

The UK Government originally also played a part in establishing a flexible and robust mechanism that created flexibility within the biofuel supply chain. The RTFO created a carryover system of certificates, which ensured at times of high grain prices blenders could simply ‘cash in’ certificates that had been carried over from times of lower prices and subsequent higher blends. However uncertainty at EU level as well as increasing opposition within the UK Government founded on an over simplified food v fuel argument has seen the trajectory plateau and resulted in stagnation within the industry.

**Q12.** Not Answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

New and emerging biotechnologies (i.e. beyond conventional GM) could provide significant opportunities for breeding improved crop varieties as part of the solution to UK specific production challenges. There are economically significant and often



apparently intractable problems of weeds, pests and diseases as well as the stresses associated with climate change. This, combined with a reduction in crop protection product availability due to very poor EU policy-making, require a shift to an integrated approach with a renewed focus on biology. However, it remains very unclear how new biotechnologies such as site-directed nucleases, gene-silencing and cisgenics would be dealt with in the EU regulatory system (see ACRE, August 2013). The potential for biotechnology to be used in livestock breeding is also significant in dealing in an integrated way with both exotic and endemic disease e.g. the research at Roslin Institute to produce chickens that do not transmit bird flu.

The NFU would like to see the influence of EU's scientific institutions including EFSA, the Joint Research Centre, the Science and Technology Advisory Council and the Commission's Chief Scientific Adviser significantly boosted. It appears they are currently failing to tackle the extremely poor policy making in key areas of agricultural technology. This will compromise the UK's ability to realise the economic, environmental and social opportunities discussed in the Agri-Tech Strategy.

The greatest challenge to Plant Health Biosecurity is from unknown threats coming via global trades. Another key threat is to availability of PPP and suitable alternatives, with an inherent risk to yield productivity and crop diversity as a result.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The existing balance in place is generally the correct balance. The key issue is that at each level of governance and policy development, there must be strategic leadership to embrace science based rules that keeps moving the agriculture industry towards greater market orientation and global competitiveness.

Threats on plant health are best met by greater co-operation and co-ordination at EU level and globally on data sharing, standards, inspections and monitoring. Dealing with issue back at source wherever possible.

On PPP availability regulation needs to take a more international perspective to active registration to ensure safety but also to ensure early access to new technologies and innovations. At the moment EU regulation presents a barrier to technology in this area and leaves EU MS behind the wider international approach e.g. It is not uncommon to see actives registered 5 years earlier in the USA compared to the EU which means that final PPP registration in the MS maybe 7-10years behind other international zones. EU pesticide policy needs to be risk based and more closely aligned to other major developed zones pesticide policy (e.g. USA) in order to provide a level playing field.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Over the past few years the NFU has responded to a succession of better regulation reviews and initiatives carried out by Government. These have recognised the level

of regulatory burden faced by agricultural businesses, making recommendations to address the impact of red-tape on the sector and flow of new regulation. The full NFU responses to these reviews are available on request.

In responding to these reviews we have highlighted areas where EU regulation could be improved to reduce the regulatory burden on agricultural businesses. Our responses have also made clear that Member States need to recognise that their role in implementation can also significantly influence business experience of EU policies. The responsibility for cost, experience and impact of EU policies does not fully rest with EU institutions. All too often it is an over precautionary interpretation of EU legislation by UK Government that places barriers on business competitiveness.

In general we believe that much can be done to ensure better policy development in the EU. Farm businesses should feel that they are trusted, understood and empowered with regulation only being part of the complementary suite of Government interventions. Building on the principles of good regulation the following are the main principles that the NFU would like to see adopted to ensure better regulation throughout the agricultural industry

- Consideration must be given at the earliest stage possible about how a proposal will be implemented. It is vital that Government engage at a European level at the earliest possible opportunity to negotiate on how proposals will be implemented in the UK throughout the regulatory process
- Any proposal must be based on sound evidence and a robust science base reflecting risk, rather than relying on a hazard based approach or purely political considerations.

*We do have concerns that there is often an inclination towards a precautionary approach rather than evidence based one at an EU level. The change to a hazard based approach for pesticide legislation is extremely disadvantageous for the UK. We are concerned this may set a precedent for other emotive and politicised areas of competence. We believe an 'innovation principle' as described by the European Risk Forum Communication 12 in October 2013, should be given serious consideration to address these problems.*

- All options for achieving policy objectives must be considered and alternatives to regulation adopted wherever possible. Where a similar or better outcome can be achieved through voluntary initiatives, guidance or advice and existing third party intervention for inspection and enforcement, this should be the preferred approach. Intervention must only occur where there is no plausible alternative, not simply because the regulation is the easiest course of action in response to political pressure.
- Regulations, both domestic and EU negotiated need to be outcome focussed. They need to be consistent with each other, and should avoid duplication between different policy areas.

- Where rules are deemed necessary for the functioning of the common market, these should be agreed at a European level, with the flexibility to adapt to local conditions.

*For example the Water Framework Directive provides for standards to vary according to circumstances to achieve the desired outcome, for cost effectiveness to be taken into account to allow the least costly solution to be used, and for the worthwhileness of the objective to be evaluated and for less stringent objectives to be set where costs are disproportionate.*

*However Nitrates Directive is very prescriptive and inflexible, imposing high costs to agriculture, and particularly the livestock sector*

- EU regulations need to be transposed without being 'goldplated'

*The NFU fully endorses the Governments own guiding principles, issued by BIS in 2013 on the implementation of European legislation. However our previous responses to Balance of Competence reviews highlight examples of where UK government places UK farmers at a competitive disadvantage.*

- Inspections should be risk and evidence based to target those farms and activities that may represent a higher risk; to be educative and transparent; and to always bear in mind the objective of the regulation. Assessments should be used in determining the frequency of compliance visits, and Government inspections need to be transparent and incentivised so that the 'regulated' can influence their likelihood of being inspected

*It is important that voluntary schemes such as Red Tractor continue to be acceptable under EU law to enable point of difference and competitive advantage within the market, and to give the basis for targeted enforcement.*

- Regulators and regulations should be reviewed regularly to test whether they are still necessary and effective. If not, they should be removed or modified.

## National Sheep Association

### Q1. Should the EU have competence for agriculture and plant health?

Yes. We agree that competence is worthwhile and necessary but should allow for regional variances. We are concerned though that our relationship with the EU is such that there are often differences in interpretation of EU law and implementation. One example of this is the legislation on sheep identification where other MSs have managed to implement a level of tolerance before financial penalties are placed on farms - the UK seems unwilling to apply a similar procedure for fear of being fined from the EU. We are of the view that a single market (different to access to a market) and competences go hand in hand.

### Q2. What evidence is there that the EU approach to agriculture:

### **i) benefits the UK national interest?**

Although this comment is not backed up by the text in Defra's Call for Evidence Agriculture Report, the NSA is of the view that in general, EU approaches to supporting and nurturing agriculture are greater than would be the case if the UK were outside the EU. In general EU policies seem to put agriculture higher on the agenda than is the case, particularly in England, compared to the UK devolved nations.

Furthermore UK political approaches to agriculture tend to take it towards a structure of larger scale and the demise of the family farm (often driven by a call for increased competitiveness). There is less recognition, certainly in the England administration, of the wider value and delivery of many public goods, delivered by maintaining a traditional/ mixed/family farming structure with a diverse and thriving local food market and economy.

NSA would argue that being part of the EU has maintained, or at least slowed the move towards larger scale and more industrialised farming in the UK and the result has been improved landscapes, environments, and social infrastructure.

Fundamentally agriculture appears to be far more important to other MSs economies and cultures than it does in England, where industry and financial services have been the driving force behind the economy.

### **ii) disadvantages the UK national interest?**

Whilst our response to 6 above shows there are advantages to our relationship with the EU, there are clearly disadvantages too. In our experience most of these come about through:

1. Overly rigid regulation
2. The UK administration often having a different vision for agriculture and therefore not being aligned to other views in the EU
3. Our relationship with the EU being such that the result is often financial penalties (which in turn makes us over nervous about regulatory compliance).

Examples of this include; approaches to abattoir regulations, compliance, and costs; Sheep identification and a lack of any confidence to allow a level of tolerance in line with the effectiveness of the technology (resulting in financial penalties of farms); Livestock movement and transport times with different perceptions of livestock markets and collection centres; and even 'dictated' livestock trailer ramp angles. All these overly rigid regulations (or insufficient creativity in implementation) add to costs, frustrations and challenge our traditional food and farming systems and cultures."

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

It depends on the interest and will of the Government of the time, and its enthusiasm and vision for a 'competitive food and farming sector'.

There seems to be a lack of enthusiasm for the view that farming is more than simply another competitive business sector (although the wording of the Call for Evidence Agriculture Report challenges this statement). Food and farming is still (scratch beneath the surface) a vitally important part of the UK's culture and wellbeing and it is very difficult to cost this or to identify the value of the public goods that ensue.

We could have a very 'competitive food and farming sector' that was environmentally undesirable, or did little to enhance the relationship between UK residents and where their food comes from, or did nothing to improve the health of the nation. It may be competitive economically but this only looks at agriculture as a single discipline activity and it is and needs to be far more than that.

Our view is that other EU Member States understand this more and therefore dilute the more industrial UK position."

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

These two things should not be in conflict. There are proper controls, tests, and certification procedures that if properly adhered to (and maybe extended to include all plant materials) should not put biosecurity at risk.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The UK's interests might be better served if we could work within a broader EU regulatory framework that allowed for more national/regional interpretation and implementation. The CAP does seem to be moving towards more flexibility and governance actions could follow this direction.

**Q7.** Not Answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Representing the sheep industry, the NSA would like to cite Scrapie in sheep as one example where trade agreements are hampered by a different approach to disease identification and controls. We feel EU negotiations do not aim to support UK trade and indeed often hamper it.

Whilst we are clearly an important player and part of the EU, philosophically and in terms of relationships we often appear to be not signed up fully (or accepted)."

### **Q9. Considering the single Common Market Organisation:**

#### **i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Relatively successful. If you have a Common Market then it is almost inevitable that you have common standards and regulation (and it states in the Treaty that this should be the case). The challenge appears to come for us when the UK gold plates requirements - although this is a result of our situation being quite different and is an outcome of being allowed flexibility.

#### **ii) How could current arrangements be improved?**

By improving relations so that the UK was felt to be a supportive and integral part of the EU. The result of this might be a higher level of interest in the UK succeeding.

**Q10. – Q11.** Not Answered

#### **Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

Direct payments do very little to incentivise agriculture to deliver to the key needs of national and global priorities. The need is to incentivise an increase in production, with a reduction in resource reliance, and at the same time to further enhance our environment in its widest interpretation. NSA would say that while many of our farm businesses are reliant on direct payments they could be better used if there were linked to the linked or combined delivery of our needs.

Rural development funds again are not balanced well towards our needs and the fact that inter pillar transfers of funds have historically resulted in a loss of access to funds for individual businesses mean that there is resistance to such transfers (where in reality the money could provide greater direction). In the uplands agri environment schemes are often in conflict with the success of the farms that were influential in creating the environment and landscape in the first place. There has been a separation of production and habitat rather than a vision that the two are interdependent. The income foregone calculation has not helped with this and this in itself suggests that you cannot have both production and a good environment (which is not right). For instance traditional upland stocking rates that have maintained habitats and ecology for years are driven downwards - this makes it easy for an income foregone calculation to be done but often leads to a monoculture of coarse vegetation that reduces biodiversity."

#### **Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The key future challenge of feeding a growing population a diet of healthy foods while reducing our reliance on input resources and creating an environment (in its widest sense) that promotes wellbeing. That is surely the challenge and the opportunity that lies ahead and policies and incentives should encourage UK farming to achieve this. If we get it right we could do this while also helping the UKs balance of payments.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

It may sound like eutopia but we need a global vision and action plan that allows continents and individual countries to contribute to in a way that take into account the regional/climatic/social differences. There needs to be greater incentives to encourage the 'right things' with fewer incentives to do the 'wrong things'.

**Q15.** Not Answered

## **Newland, Poppy**

**Q1. Should the EU have competence for agriculture and plant health?**

No, seed and plant regulation for home gardeners needs to be brought back to the UK, and be regulated by UK laws.

**Q2. - Q15.** Not Answered

## **Nicholls, Bet**

**Q1. Should the EU have competence for agriculture and plant health?**

Keep this for each Country to decide. Home gardeners need to be able to grow seeds suitable for their area.

**Q2. - Q15.** Not Answered

## **Northern Ireland Centre for Food and Health (NICHE), University of Ulster**

The Northern Ireland Centre for Food & Health (NICHE), at the University of Ulster, is an EU centre of excellence and one of the largest nutrition research groups in the UK and on the Island of Ireland. The primary purpose of NICHE is to perform fundamental research in nutrition to investigate the relationship between diet and chronic disease in areas such as obesity, cancer, heart disease and osteoporosis.

Nutrition research conducted by NICHE staff and students spans the areas of: Micronutrient modulation of immune health; Phytochemicals & Gut Microflora;

Obesity, energy balance & appetite regulation; Psychological factors associated with nutrition; Folate and B vitamins and Nutrition toxicology & Child Development. In undertaking this work, NICHE has been involved in several industry-partnered ‘farm-to-fork’ agri-food projects which have focused on the contribution of animal produce (red meat and milk) to consumer nutrition and health.

Currently there are two ongoing novel agri-food projects within NICHE; results of which are expected to inform agricultural policy. There is currently no up to date information on vitamin D, iodine or selenium concentrations within cow’s milk produced in Northern Ireland, nor is it understood how much milk contributes to consumer intakes. These projects will benchmark current amounts of these three important micronutrients in cow’s milk which will not only concern the local dairy market, but also the large international market which receives NI milk products through export. Overall, these findings will promote a market for valued-added Northern Ireland produce from cow’s milk, and will help to differentiate such within the marketplace. In this way, both projects are aligned to the NI Agri-Food Strategy Board’s ‘Going for Growth’ strategic action plan<sup>66</sup>, which supports the growing market opportunity for the dairy sector to respond to increasing global demand for agricultural products.

Details of these projects are outlined below:

### **1. CAST studentship (vitamin D)**

Currently in its second year, a Co-operative Awards in Science and Technology (CAST) studentship project investigating the ‘*Potential of cow’s milk to increase the dietary vitamin D intake among Northern Ireland consumers*’. This is a collaborative project between the University of Ulster, the Dairy Council for Northern Ireland (DCNI) and the Agri-Food and Biosciences Institute (AFBI). Vitamin D insufficiency has become a global public health concern<sup>67</sup>.

Our main source of vitamin D is from synthesis in the skin following UVB exposure from sunlight. However, owing to the northerly latitude of the UK and Ireland (approximately 50-60°N), UVB intensity is inadequate to promote this dermal synthesis during the winter months (approximately October-March). This latitude effect results in a marked seasonal variation in vitamin D status and an increased risk of insufficiency, particularly over the winter months<sup>368</sup>. In the absence of synthesis during the winter, the population is reliant on the few natural dietary sources of vitamin D (e.g. oily fish, liver, eggs and milk) and fortified foods (e.g. breakfast cereals) to maintain their vitamin D status. Cow’s milk is considered a

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<sup>66</sup> <http://www.dardni.gov.uk/going-for-growth.pdf>

<sup>67</sup> Institute of Medicine, 2011. *Dietary Reference Intakes for Calcium and Vitamin D*. Washington, DC: The National Academies Press.

<sup>68</sup> Cashman et al. *Am J Clin Nutr* 2008;88:1535-42.



staple food within the diets of a large proportion of the population and naturally contains a small amount of vitamin D.

Variations in concentrations in milk are a result of: 1) endogenous synthesis by the cow (if exposed to UVB from sunlight), 2) vitamin D<sub>3</sub> added to animal concentrate in accordance with EU regulations to maintain animal health, and 3) a small amount present in silage. The project is analysing the vitamin D content of cow's milk over 12 months and will consider how factors of animal diet, season and other farm practices can influence levels of vitamin D in milk. Further studies will also investigate the contribution of cow's milk to consumers' vitamin D intake in the UK and Ireland and a randomised-controlled human intervention study will be conducted to assess the impact of vitamin D-fortified milk on consumer nutrition and health. Results of this project are expected by October 2015.

## **2. DARD studentship (iodine and selenium)**

A 3-year Department of Agriculture and Rural Development (DARD)-funded postgraduate studentship project commenced in October 2013, investigating the '*Nutritional aspects of cow's milk produced in Northern Ireland*'. This project is a collaboration between the University of Ulster and AFBI, and is also supported by the DCNI.

The project involves analysis of the selenium and iodine content of cow's milk over 12 months, whilst examining how factors of animal diet, season and other farm practices can influence concentrations of these nutrients in milk. There is particular emphasis on iodine in this project, as iodine deficiency is currently a public health concern in the UK, including NI. Cow's milk is the major dietary source of iodine for the UK and Ireland. Concentrations of iodine in milk are a result of iodine being added to animal feed in accordance with EU regulations to maintain animal health.

It is anticipated that this project will provide evidence to contribute to the UK's current bid (made through the Food Standards Agency and Public Health England) to challenge the EFSA FEEDAP Panel's<sup>69</sup> proposal to lower the maximum amount of iodine permitted in feedstuffs for dairy cattle from 5mg/kg to 2mg/kg; such a lowering would have an even greater adverse impact on consumer iodine intakes from milk. Results from this project are expected by October 2016.

## **O'Connor, John**

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes and no, as most of the UK is an island, we are unique and there should be variances reflecting this situation especially when it comes to disease control in both

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<sup>69</sup> <http://www.efsa.europa.eu/en/efsajournal/doc/3099.pdf>

plants and animals. We could, given the right circumstances be an uninfected area and provide a reservoir of uninfected stock.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

It does in that it ensures a large market to which we have access and this tends to smooth out fluctuations which could provide a boom and bust cycle which is to be avoided.

**ii) disadvantages the UK national interest?**

Free movement of living creatures, without rigorous monitoring and certification can damage our stock's health by allowing disease in rather too easily

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Don't know.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

They don't outweigh the risks and never will. Biosecurity should never be or allowed to be compromised for financial benefit.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

Not enough expertise in this field to judge.

**ii) disadvantages the UK national interest?**

Not enough expertise in this field to judge.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Better border/shoreline/port activity in monitoring & checking.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

Not enough expertise in this field to judge.

**ii) disadvantages the UK national interest?**

Not enough expertise in this field to judge.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these**

**agreements and the EU's role in negotiating them help or hinder the UK national interest?**

They help in that we are allowed them but can be restrictive for true free trade.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Reasonably so though the common perception, rightly or wrongly, is that the balance is against the UK on the whole.

**ii) How could current arrangements be improved?**

Better border security, fight for our right to maintain biosecurity by expressing the benefits to Europe as a whole by this status. However, my belief and the perception is that European countries, including us, are not in Europe for the benefit of Agriculture, Europe or any bigger picture but just purely for their own selfish reasons and interests and those of their politicians, snouts in the trough is the common working man's perception with whom most of government and government officials, including left wingers, never mind Europe, are, sadly, out of touch.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Export should never be a problem in these matters provided our island bio secure status is not compromised or allowed to be, we could be the disease free cherry on the cake for the benefit of Europe.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

Not enough expertise in this field to judge.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

The bigger and richer get richer, while the smaller and poorer get poorer, as evidenced by the ever increasing urbanization of society, depopulation of the countryside and villages; the villages becoming dormitory or weekends only as the once countryside local guardians sell up to the rich and go city bound like Dick Whittington, but to fortune seek just get a job. So, basically the way it is at present has a big negative effect on rural and thus agricultural support.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Increasing urbanization and countryside depopulation of meaningful, contributory personages, to be replaced by part time non contributors i.e. weekenders and tourists.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Member States, whilst conforming to general principles must be able to split up the cake in individual countries to the benefits of its agricultural sector across the board and it's cutting up not dictated by the whim of others.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

It's time all politicians and governments acted in a way to benefit all and not just their own residents and country's interests.

## Ogden, Jacqueline

**Q1. Should the EU have competence for agriculture and plant health?**

As an ecologist and gardener I feel that EU control of plants and seeds for gardening would be detrimental to the genetic resource and diversity of crop and ornamental plants and to the choice of seeds available to people growing plants for personal use. Competence should lie with the UK.

**Q2. – Q15.** Not Answered

## O'Neill, Loman

**Q1. Should the EU have competence for agriculture and plant health?** No.

**Q2. - Q15.** Not answered

## Open Europe

[http://www.openeurope.org.uk/Content/Documents/Pdfs/CAP\\_2012.pdf](http://www.openeurope.org.uk/Content/Documents/Pdfs/CAP_2012.pdf)

## Organic Research Centre

**Q1. Should the EU have competence for agriculture and plant health?** Yes.

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

Due to capacity limitations we will leave others to comment on the broader issues. Specifically with respect to organic farming, the EU has driven forward both regulation and policy support for organic farming creating a positive environment for the sector to develop, also in the UK, which would not have happened had the UK been left to do it on its own.

**ii) disadvantages the UK national interest?**

To get international agreements, compromises are needed, some of which may well be not in the UK interest, but on balance we believe the benefits outweigh the disadvantages.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The development of the organic sector in the UK has been seriously set back by underinvestment compared with European competitors - the EU provides a policy framework, but lack of willingness to implement these in the UK with a focus on organic producers remains a problem.

**Q4.** Not Answered

**Q5. What evidence is there that the current competence over forestry policy: i) benefits the UK national interest?**

The lack of willingness in the UK to implement EU policy support for agroforestry is an ongoing concern for us.

**ii) disadvantages the UK national interest?** No comment

**Q6.** Not answered

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

The engagement of the Parliament is still in its infancy. While we support a common EU regulation of the organic sector, we have serious concerns about current Commission initiatives to reform the regulations with inadequate consultation with stakeholders. The process of Council and Parliament engagement will be important to ensure that a sensible solution is reached - but this needs to be done in co-operation with other EU countries, not as an isolated UK initiative.

**ii) disadvantages the UK national interest?** No comment

**Q8. – Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i)**

**direct payments, (ii) single common market organisation, (iii) rural development.**

As previously stated, in part this depends on UK willingness to implement opportunities provided. As an example, we have previously expressed concerns about the lack of support for small-scale producers represented by the decision to impose a 5ha minimum for direct payments, and not to implement a small producer scheme.

Similarly implementation of the RDP schemes do not fully utilise opportunities for support, e.g. to encourage establishment of agroforestry."

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The organic sector in Europe and the UK faces challenges getting the right balance between regulations defining organic farming in the market place, which if made to onerous will seriously damage the potential of organic farming methods to contribute to improving the sustainability of food systems, and the support policies for organic farming, which are more generous in some countries than others, with the UK particularly low in its support, creating an uneven playing field in the market place. This is unfortunate given that organic farming could be seen as a role model for using the market as well as policy support to deliver sustainability outcomes.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

The EU needs to provide the right framework to enable both the organic market place to flourish and to provide policy support in recognition of environmental/sustainability benefits, but if the member state then does not utilise the available opportunities, the EU is not really to blame.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Our capacities as a small charity to respond to all consultations are limited and we have been heavily engaged in recent months with the EU Commission, Defra, and Welsh Government on CAP implementation issues affecting organic farmers, which has further limited our ability to engage with this consultation. We do have specialist expertise in two areas which may be of assistance as this process progresses: a) the EU regulations defining organic farming and b) EU support policies for organic farming, having been involved in evaluations of both for the European Commission in the last few years. If you would separately like to pick up these areas, please get in touch.

## Ornamental Aquatic Trade Association (OATA)

OATA represents the interests of some 750 businesses in the ornamental aquatics industry supplying the needs of the several million households which either have or own aquariums or garden ponds in which plants are an integral part. Among our members are importers, breeders, wholesalers and retailers of a wide variety of aquatic plants and animals. The ornamental fish industry is significant in turnover and employs over 10,000 people in the UK.

Our response is general tone and does not answer each of the questions posed in the Call for Evidence individually.

### **ONE SIZE DOES NOT FIT ALL**

We believe that any regime should have the flexibility for national action. This should enable discrimination between, but permit action to be taken on, pests of EU wide significance and those of concern to just one or more MS.

An example of how the “one size fits all” solution has unnecessarily constrained trade in the UK is the ban on importing apple snails to the EU. An initial report from the EFSA looked at a Spanish report on an infestation of this snail in the rice paddies of the Ebro Delta region. It appeared from that report there was some uncertainty as to whether the population was ephemeral or established. A climate matching model appeared to show that the species could spread northwards but the extent of the northern limit was very uncertain.

Practical experience of trade in these species has not given any evidence of the survival or reproduction of the species in the UK or northern Europe. However, on the basis of an uncertain academic appraisal an EU ban was instituted. Latterly an EFSA study employing a more sophisticated approach including biological criteria drew the same conclusion that the appraisal of decades of trading experience (that is the real life situation) would have reached.

We accept that precautionary provisions must on occasion be made. However, given the widely divergent geo-biological zones within the EU that precaution must be “reality checked” on the outcomes of historical trade and particular circumstances in a region or Member State. The UK should seek to retain the competences required to ensure that measures taken are the least restrictive to trade necessary to achieve a given objective. In the instance of apple snail imports that was in effect “do nothing” that is continue to permit imports in to the UK. Of course the UK should cooperate in assisting Spain in controlling movements of snails to Spain but an EU wide ban is biologically inappropriate and restricts trade to a disproportionate degree.

### **A LEVEL PLAYING FIELD**

There must be mechanisms to identify and quickly remedy different pest interception rates, on imported plants of the same type and origin, at different BIP's across the

EU. From FVO reports it is glaringly obvious that there are fundamental differences between competences of MS in this regard. However, there has been evidence of wide disparities of interception rates of this type between BIP's within the UK. Thus the playing field seemingly hasn't been level between BIP's within the UK or between BIP's in different MS. These failures distort the market threatening the UK's biosecurity and/or the sustainability and/or growth of UK businesses.

Clearly investigating, and as appropriate remedying, differences between interception rates on very similar plants from the same origin at UK BIP's is in the hands of the UK authorities. Such instances should be quickly identified and investigated and the results reported in a public manner. Any checks at BIP's must ensure a defined acceptable level of protection is achieved. Thus they should be neither overzealous (looking at bigger samples or looking more carefully than standards demand) or less than zealous (missing rates of infestation that should be detected) than defined.

Identifying and remedying lower interception rates at BIP's in other MS is more difficult. However, if such differences are identified, the UK should seek to retain the competence to carry out inspection on intra-community trade in those imported plants as and where it is suspected or identified. Such checks must be introduced promptly and robustly. Not to ensure this competence is available and actively used threatens UK biosecurity by practically diverting trade that would have entered through UK BIP's into BIP's in MS on the Continent. Then the imports by British businesses paying fees and charges to airports and official services are diverted off shore as is the inspection process. In effect responsibility for UK biosecurity is de facto exported to BIP's in other MS, UK businesses are put at a severe competitive disadvantage while the biosecurity threat remains as before.

An example of where the issues raised above were experienced was the interception of *Bemisia tabacci* on aquatic plants from Singapore.

## **PLANT REPRODUCTIVE MATERIAL**

We do not see the need to extend the requirement for "Officially Recognised Descriptions", rather than they being "commonly known", to ornamental varieties. To do so would impose costs such that many of these varieties, and the genetic and biological diversity they represent, to say nothing of the pleasure and well-being gardeners derive from them, will be lost forever. The public are already protected by using their own knowledge and the consumer protection legislation. This additional administrative requirement seems not to achieve any useful purpose but would massively restrict the varieties of plants available to the full range of those who keep plants in the UK. The UK in particular has much to lose and should retain the competence to manage this issue as best suits our national needs.



## Pa, Ma

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should not have competence for seeds intended for gardeners. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. – Q15.** Not Answered

## Page, Jennifer

### **Q1. Should the EU have competence for agriculture and plant health?**

I consider that the EU should not have control over Plant Reproductive material intended for gardeners. It is overkill to apply to individual gardens and allotments the EU controls proposed for major agribusiness and I believe that national interests and wellbeing would best be served by keeping the current simpler UK provisions for conservation varieties and varieties with no intrinsic value for commercial crop production.

**Q2. – Q15.** Not Answered

## Payne, Tracy

### **Q1. Should the EU have competence for agriculture and plant health?**

No. UK gardeners are a completely separate case and should not be regulated by the EU in the same way as farmers. The laws for gardeners, allotment-holders etc in the UK should be made by the UK, not the EU.

**Q2. - Q15.** Not Answered

## Peachey, Louise A. C.

### **Q1. Should the EU have competence for agriculture and plant health?**

No. As one of a countless number with an allotment garden where I can grow heritage varieties of fruit and vegetables, and also varieties whose cropping season is lengthy, I am most concerned at the current reports from both of the committees working on this law that it is proposed to omit the proposal in the first draft of this law in May to make an exemption for small "micro enterprises".

Commercial growers require seed varieties whose vegetables look good but which may be tasteless and where the crop may be harvested completely at the same time.

It will now be apparent to you that the requirements of home and allotment gardeners are completely different from those of commercial growers and I appeal that sense may prevail."

**Q2. - Q15.** Not answered

## **Pemberton, Tamasin**

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU doesn't have to regulate small scale home growers. Plant seeds on such a small scale shouldn't come under this legislation at all. It is not necessary. The EU do not have any expertise in home growing or small scale gardening.

**Q2. Q15** Not Answered

## **Perennial Favourites Ltd**

### **Q1. Should the EU have competence for agriculture and plant health?**

The horticultural sector should not be controlled by the EU.

Britain has a unique history and tradition of horticulture which should remain distinct. Current proposals homogenise the whole sector which will destroy Britain's unique collection of small specialist nurseries. It will also undermine the efforts of conservation charities and lead to a reduction of biodiversity.

Individual citizens' gardens, allotments and their smaller chain of horticultural suppliers (nurseries, specialist seed merchants, clubs and plant exchange organisations) are a completely different sector to agriculture, and don't require strict EU-level regulation. Existing British consumer laws are completely adequate to provide regulation and support for consumers

Plant health should not be controlled by the EU. From Dutch elm disease, phytophthora ramorum, gypsy moth, harlequin ladybird to ash dieback, the EU has demonstrated that it is completely incompetent in managing the spread of plant diseases.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

None, it merely supports ailing French agriculture and Europe wide agribusiness.

#### **ii) disadvantages the UK national interest?**

Lots. UK agriculture, especially in the dairy sector is struggling to survive. It no longer has the ability to be flexible and adapt to changing circumstances due to restrictive regulation.

It has also been very destructive at a societal level.

Smaller producers and people centred agriculture has been completely undermined leading to a Europe wide desertion of people from the countryside to the cities; a European version of the Highland clearances, if you will, and a tragedy for people and communities.

It has also led to widespread movement of peoples between borders with difficult consequences for all the recipient countries."

**Q3. – Q15.** Not Answered

## **Perry, Oliver**

**Q1. Should the EU have competence for agriculture and plant health?**

As long as it disregards the fact that there are differences in the sizes of company affected – NO.

**Q2. – Q15.** Not Answered

## **Petts, James**

**Q1. Should the EU have competence for agriculture and plant health?**

For commercial, yes but domestic – NO!

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

None – we need flexibility to be able to change as climate and economical needs change.

**ii) disadvantages the UK national interest?**

We need be able to adapt to climate and economical needs and anything which impairs this need would be catastrophic for the UN national interest.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

This depends entirely on the future climate in the UK – we have all seen the need for flexibility and the ability to respond quickly to affairs beyond our control – evidenced during the Second World War and which may be repeated by climate change.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

They may not, but we must make absolutely certain that our ability to cultivate and share seed and plants domestically must not be at the behest of EU lawmakers – EU law may have implications for organisations such as the Royal Botanic Gardens at Kew . . . and you would not want that to happen . . .

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

None – we appear to be in a period of global change amongst trees and large plants which will not be affected by legislation; our future climate will decide the outcome.

**ii) disadvantages the UK national interest?**

None – we appear to be in a period of global change amongst trees and large plants which will not be affected by legislation; our future climate will decide the outcome.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Awareness at all levels is vital to our future wellbeing as a food producing nation.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

None – we need the ultimate flexibility to act as needs occur – if this is built-in to future legislation, so be it!

**ii) disadvantages the UK national interest?**

For the same reason as 13 (None – we need the ultimate flexibility to act as needs occur – if this is built-in to future legislation, so be it!).

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

Flexibility and awareness need to be built-in to any legislation – far too many historical precedents to list . . .

**Q9. – Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I am concerned by the proposed EU Seed Law – UK gardeners must be able to choose any vegetables they wish to grow in their own gardens, rather than just from a list of 'EU-approved' varieties.

We need to be able to purchase seed suitable for gardeners – seed for big scale agriculture is not the same and new EU Seed Law should ONLY cover commercial seed sold to farmers and growers.

EU Seed Laws must NOT be allowed to prevent seed being sold in small packets for home gardeners and allotment growers. This would seriously damage our ability to recover from unforeseen events . . . take the time think what would have happened during WW2 if seed had not been available – climatic conditions may again bring this scenario to occur and we will need all the help we can get – imagine one of the really big volcano's erupting and precluding air travel – the consequences to our food supply would be dire – we wouldn't be able to purchase enough food to prevent unrest . . ."

## Pitcairn, Jenny

### **Q1. Should the EU have competence for agriculture and plant health?**

It is completely inappropriate for UK home gardeners to be regulated by the EU as if they were farmers. They have entirely different needs and garden plants and seeds should not be regulated in the same way as crops grown on commercial farms. If derogations for small scale producers/sellers/growers and seeds produced for home growers are removed, heritage varieties of many plant varieties will be impossible to sustain, and choices for gardeners, will be drastically reduced. Garden plants and garden seeds should NOT be covered by EU regulation, but instead controlled by UK law.

**Q2. - Q15.** Not Answered

## Plantlife

Plantlife is the organisation that is speaking up for our wild flowers, plants and fungi. From the open spaces of our nature reserves to the corridors of government, we're here to raise their profile, to celebrate their beauty, and to protect their future. Wild flowers and plants play a fundamental role for wildlife, and their colour and character light up our landscapes. But without our help, this priceless natural heritage is in danger of being lost and in the attached reports we highlight the role the CAP has to play in the future of British wild flowers.

Plantlife welcome the opportunity to comment on the review of the balance of competences for agriculture. Plantlife attended the workshop held in London on the 5th of November and the farmland reports Plantlife recently published provide the

kind of evidence this review is looking for. The reports entitled 'And on that farm he had...' have been written for Scotland, England, and Wales and examine the role CAP and in particular the Agri-Environment Schemes have played in the management of wild flower populations. For example:

In England:

□ 17% of threatened wild flowers are found in upland meadows and pasture. However, the habitat requirements for nearly three-quarters of these are not supported by Entry Level Stewardship and, although ELS provides some of the habitat requirements for the remaining 27%, the untargeted nature of the scheme means that it is unable to focus on species, so limiting the ability for suitable management to be undertaken. Higher Level Stewardship provides the requirements for all but two threatened upland meadow flowers and the scheme is able to target management.

In Scotland:

□ Evidence from the Countryside Survey points to continuing declines in the diversity and abundance of wild plants in the countryside during periods when agri-environment schemes have been in operation. For example, between 1998 and 2007 the area of enclosed, improved grassland in Scotland increased by 9% while its plant species richness declined by 8%.

In Wales:

□ Of the 1,467 flowers in the Welsh flora, 38 have become extinct and 20.6% (302) are considered to be threatened or nearly so in Wales. The vast majority of these, 95% (288), grow on productive farmland. Agri-environment schemes are the best and most widely available tool to sustain these declining species.

While the overall picture for wild plant diversity being managed through Agri-Environment Schemes is currently not living up to its potential, we are more aware of what is needed from CAP and Agri-Environment Schemes to help deliver for wild plants. The two attached reports, for Scotland and England, make a number of recommendations. (The report for Wales is in its final design stage and a copy will be sent as soon as possible). Overall, CAP has the potential to deliver for both an agricultural business and wild plants in the environment however longer term support, better targeting, monitoring and advice for Agri-Environment Schemes are needed to reverse the decline in our wild flowers.

## **Presteigne & Norton Allotment Association**

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should not include small scale growers like gardeners and allotmenters in its changes to the law about plant reproductive material. Agribusiness makes huge profits and may well need regulating, but private gardeners should not be included in

EU legislation, which would hugely restrict our choice of varieties and limit us to growing varieties that have been bred specifically for commercial growers.

**Q2. - Q15.** Not Answered

## **Presteigne Allotment Association**

### **Q1. Should the EU have competence for agriculture and plant health?**

There needs to be a distinction between the rules and laws for farmers and those for home gardeners. Many of the seed varieties grown commercially are not suitable for home growing and therefore the same rules should not apply. People should be able to choose which varieties to grow according to their particular climate conditions and space, their individual preferences for flavour and personal tastes. Much work has been done over the years to protect heritage seed varieties and we are very fortunate in the UK to have a great diversity in the vegetables that we grow. We want to keep this, and as responsible gardeners continue to have the freedom of choice in the seeds that we sow.

**Q2 - Q15** Not Answered

## **Radini, Anita**

### **Q1. Should the EU have competence for agriculture and plant health?**

I feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. - Q15.** Not Answered

## **Reed, Martin**

**Q1 –Q14** Not Answered

### **Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

The EU shouldn't make decisions about seeds intended for gardeners. I have an allotment, and the seeds I buy from small suppliers should not be restricted by the EU to those suitable for agriculture.

## Reeves, Esther

### **Q1. Should the EU have competence for agriculture and plant health?**

I can't comment on large scale agriculture but for gardeners I do not believe the EU should have competence for Plant Reproductive Material i.e. seeds, not for veg., fruit or indeed ornamentals. Gardeners have very different requirements from farmers as to which veg. seeds they find useful i.e. preferring cropping over a period of time not all at once. The licensing and restriction of seeds is also a danger to our national biodiversity and most heritage varieties are only grown in small quantities, we need these to make sure we can adapt to changing climates and just because people wish to grow them. The new proposed EU laws will make this difficult to impossible and while regulating large scale farming seed production may be needed there are no benefits to regulating gardeners.

I would also say I feel that small scale organic seed producers should be exempt as they are already regulated heavily by the soil association and the requirements for organic growing can be very different to large scale agro business.

**Q2. – Q3.** Not answered

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

If the single market is heavily restricted as it will be under new EU laws for seed then in this are at least I see no benefits to the UK and a huge risk to the biosecurity of the UK which in part relies on keeping a store of a wide range of varieties to allow us to meet any challenges be that changes in climate or new diseases.

Recent introduction of Chalara dieback of ash trees from saplings grown abroad show another risk to our biosecurity and while I do not think we should stop all imports we should encourage growing new tree stock in this country as a norm rather than relying on the Dutch and others, this would help biosecurity and indeed rural jobs.

**Q5.** Not Answered

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I think in the main DEFRA is best place to know what should and shouldn't happen in this country in consultation with local farmers, growers and communities. Even within the UK there are variances in what works best due to geography and local needs.

**Q7. – Q9.** Not Answered

### **Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant**



**health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

I can only really comment on plant reproductive materials but as a UK consumer I feel the current common standards and laws restrict my ability to access the range of seeds I would wish to buy and the new planned laws will make it almost impossible for me to buy seeds suitable for small scale growing rather than large scale agriculture. Even the small concessions added at the last minute in the consultation have been mostly lost in the current draft.

**Q11. – Q12.** Not Answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The number one problem is that bees are struggling and dying in large numbers this needs immediate and serious consideration, if we lose the bees and other pollinators much of our agriculture, gardens and trees will be impossible to grow.

I think potential climate change must be considered a major challenge we should at least make sure we are as prepared for as possible by supporting our seed banks and small heritage variety growers.

I also think potential fuel shortages are an important consideration and as such we should be supporting and developing lower energy ways of growing.

The move among consumers looking for local grown food should be considered seriously as it supports UK growers and ties well into lowering energy usage.

We should also be looking toward encouraging the planting of more woodlands with a wider range of native trees and other suitable varieties both to replace the ash which will die, to provide more biodiversity and wildlife areas as well as food from nuts and fruits and even fuel from wood when thinning and removing old trees. At the same time we should be careful not to plant trees which are dangerous to our wildlife such as certain types of lime which kill pollinators.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

I think that the EU and even wider international bodies has their place when there are serious and potentially international level issues to be dealt with but they should not get involved in less life threatening issues

I fully support them wading in and banning “neonicotinoids”. The possible loss of bees is so important to the whole world that we should all be taking protective measures while the cause is investigated and if that means some pesticides being removed from use for a while to confirm or deny if they are the cause the issue is important enough to warrant it.

I also think they have a place in setting minimum standards on things like animal welfare but otherwise most areas should be for the member states to regulate such as what is grown, how it is grown and so on.

**Q15.** Not Answered

## Renewable Energy Association

### Introduction

The REA welcomes the opportunity to submit this short response to DEFRA's call for evidence on the EU balance of competences in the agriculture sector. The REA represents a wide variety of organisations involved in renewable energy in the UK, including generators, project developers, fuel and power suppliers, investors, equipment producers and service providers. Members range in size from major multinationals to sole traders. There are over 1,100 corporate members of the REA, making it the largest renewable energy trade association in the UK. The REA's main objective is to secure the best legislative and regulatory framework for expanding renewable energy production in the UK, and we cover the power, heat and transport sectors.

This response will address the issues raised specifically in paragraph 68 and Question 11 which deal with biofuels. As a general observation we would say that action at the EU level has been pivotal in driving renewable energy policy in the UK. The publication of both the EU Biofuels Directive (2003/30/EC) and the Renewable Energy Directive (2009/28/EC) set out a clear pathway for the development of renewable transport fuel. As we point out below, it is therefore regrettable that the European Commission felt it necessary to propose such fundamental changes to the Renewable Energy Directive so soon after its publication. This has had the effect of stalling almost all further investment in renewable transport fuels, making it doubtful whether the UK will be able to reach the 10% renewable energy commitment in transport to which it signed up in 2009.

### **Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

Biofuel policy must be considered from the perspectives of climate change and energy supply as well as agriculture. There are a number of assertions made in Paragraph 68 which need to be looked at in detail:

*“Demand for feedstocks used directly in biofuels production has dramatically increased over the last decade.”*

This statement is inaccurate as far as the UK and EU are concerned. In the UK, the volume of biofuels on the market in 2012/2013<sup>70</sup> was 3% of total liquid fuel supplies - 97% was therefore from fossil fuels. In the EU the picture is similar. Just over 3% of European cereal production is currently used for biofuels<sup>71</sup>, and this produces an equivalent quantity of high protein animal feed. It should also be remembered that a major reason for replacing fossil fuels with biofuels is to reduce carbon emissions. In the UK this strategy has been successful – the average reduction in carbon emissions from biofuels on the UK market is now 70%<sup>72</sup>.

*“There is widespread agreement that increased demand for biofuels has led to global crop prices being higher than they would otherwise have been...Recent modelling work shows that, over the period to 2020, projected wheat prices would be around 7% lower in the scenario where EU biofuel support is removed than in the baseline scenario.”*

The modelling work referred to covers only the gross price of the commodity and fails to take into account the net benefit arising from the co-products of biofuels production - DDGS (dried distillers grains and solubles) from wheat ethanol production and rapemeal from oil seed rape (OSR) biodiesel production. These co-products concentrate the protein content of the feed wheat and OSR and provide a valuable replacement for imported soy meal. This reduces the EU's 70% import dependency on protein for animal feed which represents the equivalent of 20 million hectares cultivated outside the EU<sup>73</sup>. According to modelling done for the European Commission<sup>74</sup>, the increased production of DDGS reduces feed prices for dairy herds.

A study by energy consultancy Ecofys<sup>75</sup> (September 2013) shows that EU biofuels demand to 2010 only increased world grain prices by 1-2%, and would increase a further 1% to 2020 in the absence of a cap on crop based bioethanol. Any impact on food production is negligible since the commodity cost is a small fraction of the food price. Energy has a much stronger impact on food costs as shown by the World Bank<sup>76</sup> (May 2013) and the above Ecofys report.

*“Biofuels support policies also have the potential to increase crop price volatility by discouraging crops from being diverted away from biofuel production to food markets in response to price signals.”*

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<sup>70</sup> <https://www.gov.uk/government/publications/renewable-transport-fuel-obligation-statistics-year-5-report-5>

<sup>71</sup> [http://ec.europa.eu/agriculture/cereals/balance-sheets/index\\_en.htm](http://ec.europa.eu/agriculture/cereals/balance-sheets/index_en.htm)

<sup>72</sup> <https://www.gov.uk/government/publications/renewable-transport-fuel-obligation-statistics-year-6-report-1>

<sup>73</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2011-0026+0+DOC+PDF+V0//EN>

<sup>74</sup> [http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc\\_148289.pdf](http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc_148289.pdf)

<sup>75</sup> <http://www.ecofys.com/en/news/report-biofuels-play-minor-role-in-local-food-prices/>

<sup>76</sup> <http://www->

[wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2013/05/21/000158349\\_20130521131725/Rendered/PDF/WPS6455.pdf](http://wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2013/05/21/000158349_20130521131725/Rendered/PDF/WPS6455.pdf)

This statement, which is based on theoretical modelling, incorrectly implies that demand for feedstock for biofuels is inelastic, and any adjustment falls on the food and feed sectors. This is a significant incorrect assumption as it ignores:

- a. The inherent flexibility in meeting mandates in the UK (and in the USA).
- b. The economic effects of the price increase on biofuels producers and how they react in the market.

Obligated parties have flexibility on:

- i. How compliance with the mandate is split between bioethanol and biodiesel.
- ii. Feedstocks used to make the bio component.
- iii. Flexibility in meeting part of a year's compliance requirements by carrying over certificates from the previous compliance year.

Furthermore, rising feedstock prices will also cause biofuel producers to consider the short term profitability of continuing production, and can choose to cease production. This occurred during 2012 in Europe and the USA, and all without the need to modify mandates.

Additional demand supplied by a biofuels market provides agricultural producers with an economic stimulus to greater agricultural productivity in practice, leading to reduced market volatility. If this demand diminishes, crop-based production will fall as well, as farmers respond to market signals and volatility is likely to increase.

### **Economic growth and sustainability**

Investments, such as those made on the basis of the EU Renewable Energy Directive (RED), require the long term policy certainty envisaged when this Directive was agreed. Policy should not be subject to U-turns such as that proposed by the European Commission's proposals<sup>77</sup> on indirect land use change in October 2012 which would retrospectively reduce the market size, and reduce economic growth.

The RED incorporates mandated high sustainability standards which are a benchmark for the rest of the world for all agricultural products, irrespective of end-use. As agricultural producers do not differentiate their production on the basis of end-use, this has had the effect of raising the overall agricultural production standards of all EU biofuel feedstocks. It is worth recalling that the UK's Bioenergy Strategy also recognises that bioethanol provides 'a cost effective contribution to reduced emissions from transport'<sup>78</sup>.

It is therefore appropriate and essential that the UK establishes a biofuels trajectory to 2020 under the Renewable Transport Fuel Obligation (RTFO) beyond the current 4.75% volume limit as soon as possible to ensure that the UK reaches its commitment of achieving a 10% energy target in transport by 2020.

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<sup>77</sup> [http://ec.europa.eu/clima/policies/transport/fuel/docs/com\\_2012\\_595\\_en.pdf](http://ec.europa.eu/clima/policies/transport/fuel/docs/com_2012_595_en.pdf)

<sup>78</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/48337/5142-bioenergy-strategy-.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48337/5142-bioenergy-strategy-.pdf) Page 51.

## Ritman, Michael

### Q1. Should the EU have competence for agriculture and plant health?

EU Regulations should only apply to large scale farming. Seeds and plants for home-garden use should be controlled by UK law and not by EU rules designed for big farmers.

Q2. – Q15. Not Answered

## Rivers, Angela

### Q1. Should the EU have competence for agriculture and plant health?

We feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation."

Q2. - Q15. Not Answered

## Rose, Alistair

### Q1. Should the EU have competence for agriculture and plant health?

No. Not for plant reproductive material (seeds, cuttings, tubers, etc) for use and distribution by and for amateur growers (home gardeners, allotment growers).

Plants and seeds for use by amateur gardeners should not be regulated in the same way as those for use in commercial agriculture."

Q2. – Q15. Not Answered

## Rotherham, Dr. Lee

**18 December 2013**

The key points raised in the discussion on agriculture were:

- The level of funding for the CAP is significant. The system would be more effective if repatriated, as the benefits received could be achieved at a lower cost. The money could be targeted more effectively to meet UK priorities for example to hill farmers and sectors of farming where there is hardship.
- There is potential in a repatriation scenario to have agreements with the EU to allow effective trade but with better access for non EU producers, the example

was given of New Zealand butter. This could be done on the basis of import tariffs to ensure that UK consumers could benefit from improved prices but without the danger of the products being re-exported.

- It was suggested that it was unlikely that the UK Government would want to support farming to the same level as occurs under the CAP. However, there is justification for supporting activities on the basis of supporting farming communities and rural employment. In the repatriated scenario these decisions would be more democratic and based on the needs of the UK.
- It was noted that the CAP was a key benefit of being in the EU for some member states such as France as it benefits their rural communities and therefore they are not incentivised to change the system. It was noted that there will be vested interests whatever level the system operates at, but we need to ensure the system is operated to meet UK objectives.

## Rowlinson, Clare

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should NOT have competence over seed varieties for non commercial gardeners! Individual UK gardeners and allotment holders should not be regulated by the EU. To do so will reduce locally adapted seed banks and reduce genetic diversity to those seed varieties sold to commercial agriculture and extinct many heritage varieties.

**Q2. - Q15.** Not Answered

## Royal Society for the Protection of Birds (RSPB)

The RSPB welcomes the opportunity to submit evidence to the call for evidence (agriculture). In our answers to the questions below, we have only commented on those areas where we have sufficient expertise to do so, and where there is a direct link to our charitable objectives.

### **Overarching comments**

- There is a vital role, and clear justification, for a common policy for land management at the EU level. Shared natural resources, such as biodiversity, air, carbon stores and water, require a cross border approach and EU competence is vital to ensure a common set of standards are in place governing land management.
- EU competence in agriculture is also important as it helps to shield environmental investment from changes in government, and political priorities, at the Member State level.

- At present, the Common Agricultural Policy (CAP) is not functioning as an effective strategic tool for addressing the environmental, land management and sustainable food production challenges facing the UK and wider EU because the few positive elements, particular Pillar II funded agri-environment schemes, are dwarfed by payments and rules which incentivise unsustainable forms of land management.
- However, the current failure of the CAP is not an argument against EU competence in this area, but rather an argument in favour of a profound change in the nature of EU policy into one guided by the principle of public money for public goods.
- Whilst the current CAP may largely work against the UK's national interests, the UK's concerted efforts to change the nature of EU action from within will, in the longer term work very much for its national interests, both in terms of supporting a thriving and resilient natural environment which underpin a healthy farming sector in the UK, and securing this beyond the UK's borders in Europe.

#### **Q1. Should the EU have competence for agriculture and plant health?**

Agriculture is a major land use, accounting for almost half of the EU's land area and 75% of the UK. The ways in which agricultural land is used and managed has a profound impact on the condition of the environment: our soils, water, climate and wildlife. EU competence for agriculture, land management and plant health is clearly justified because these shared natural resources require an international approach and an appropriate framework for environmental protection and enhancement.

Elements of the stakeholder community argue that the primary justification for EU competence in agriculture is to ensure a competitive farming industry in Europe, and that Pillar I direct payments are vital for this. However there is little evidence to support this position. Many studies focus on productivity as a key determinant of competitiveness and HMT has identified five drivers that are of particular importance: physical capital (investment); human capital (skills); innovation and technological progress; competition; and enterprise. However, the vast majority of agricultural support payments do not support any of these.

We therefore maintain that the central justification for EU competence in agriculture is to create a framework to protect and enhance the environment and its natural resources, which in turn will underpin farming as a competitive and resilient industry. A key aspect of this approach, but one which is as yet unfulfilled, is the importance of channelling adequate levels of support to systems of farming which are both environmentally and socially important.

As the RSPB made explicitly clear in our submission to Defra's earlier call for evidence (Environment and Climate Change), EU environmental competence has, over a variety of policy areas, delivered a range of improvements within the UK and beyond, including: species and habitat protection and restoration in terrestrial and marine environments; water quality; air quality; climate change mitigation and

adaptation; and the delivery of economically vital ecosystem services. EU competence for agriculture, in the specific context of environmental protection and enhancement, is important to ensure a set of common standards for food production and agricultural land management which *prevents* a 'race to the bottom'.

However, as we explore below, there is a severe mismatch between the justification for EU environmental competence (including agricultural land use) and how this is implemented via agricultural policies, in particular through the Common Agricultural Policy (CAP).

The RSPB does not have specific expertise in commercial plant health however we also support EU competence in this area due to the importance of managing and minimising the risks to the natural environment from commercial plant pests and diseases. This issue is an international problem which does not respect national boundaries and therefore warrants an EU level approach.

## **Q2. What evidence is there that the EU approach to agriculture:**

### **i) benefits the UK national interest?**

For this question, we define 'national interest' as the extent to which the EU approach to agriculture protects and enhances the UK environment which, beyond its own significant intrinsic value, underpins UK economic activity, including long term food production within a competitive and resilient farming sector, tourism and the production of a range of important ecosystem services.

The CAP is a sprawling, complicated and expensive policy and the RSPB maintains that fundamental and far reaching reform is required in order to unleash its full, and significant, potential to improve environmental protection and enhancement on EU agricultural land and beyond. However, some positive and important steps have been taken in the last 20 years to improve the environmental performance of the CAP, or more accurately, to improve the ability of CAP payments to reward and drive positive land management.

The most important environmental component of the CAP came out of the Fischler reforms, which is the legislative requirement for all Member States to offer at least one agri-environment scheme to farmers and land managers (although entry into such schemes is voluntary). The UK essentially paved the way for this to happen in 1986 when it successfully negotiated to introduce the EU's first agri-environment scheme, financed through a combination of national and EU Agricultural funds. Schemes developed in England have also consistently led the field in terms of quality and have been highlighted as exemplary by the European Court of Auditors<sup>79</sup>.

Under the current CAP, there is a legislative requirement for each Member State to spend at least 25% of their Pillar II allocation on 'environmental measures', including,

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<sup>79</sup> European Court of Auditors (2011) Is agri-environment support effective and well-managed? Special report no. 7.



but not restricted to agri-environment schemes, and for the new 2014-2020 CAP, this has been increased to 30%.

Whilst the quality of schemes currently on offer in the UK, and across the EU, varies considerably, there is clear evidence that well designed, targeted and funded agri-environment schemes can have a significant and positive effect on biodiversity (although it must be noted that such schemes represent a disappointingly small proportion of schemes overall). Such schemes are also the principal mechanism utilised in the UK to secure appropriate management of Natura 2000 sites (as required under the Habitats Directive) and to provide a sufficient diversity and area of habitat for birds listed in Annex 1 of the Birds Directive).

Whilst some may argue that UK administrations would view the continuation of agri-environment schemes as a policy priority in the absence of an EU/CAP requirement to do so, this is by no means a certainty, particularly in a challenging economic context and the associated political response of short-termism and deregulation. In the absence of EU competence in agriculture, and the associated requirement to offer an agri-environment scheme, national decisions on environmental investment would be subject to the mercies of changing government policy priorities and their election pledges. Environmental funding is often one of the first things to be cut when savings need to be made but the environment requires consistent and long term investment. EU competence, although still subject to political wrangling, is much better equipped to allow this to take place.

The requirement to offer agri-environment schemes has further significant value by requiring less environmentally minded Member States to undertake at least a basic level of agri-environment provision. In the absence of such a requirement, it is likely that the availability of agri-environment schemes would decline across the EU – to the detriment of biodiversity (including species that pass through parts of the EU during migration to the UK) and wider environmental quality. Ensuring that other Member States have to offer agri-environment schemes is an important part of the toolkit preventing a ‘race to the bottom’ in environmental management. It also supports the UK’s long term aspirations for the CAP by ensuring every Member State uses a proportion of their CAP budget to support environmental public good delivery.

The following UK case studies provide a brief overview of how EU competence in agriculture has benefitted the UK national interest:

### **Regionally specific action to prevent UK extinction of the ciril bunting**

In 1989, the UK population of ciril buntings fell to just 118 pairs in the South West of England. Rapid changes to farming practices and the loss of vital feeding habitat were identified as the major force behind the declines, with the birds’ extremely small range (only moving up to 2 km between their breeding and wintering areas) further reducing their ability to find alternative places to nest and feed. A special project was implemented utilizing the Countryside Stewardship Scheme (CSS) and farmers in

target areas were supported to provide optimal habitat conditions for ciril buntings (and other farmland birds) alongside their farming businesses. By 2009, ciril buntings had increased to 862 pairs, with numbers increasing by 83% on farms under a CSS agreement – compared to just a 2% increase on adjacent, non-agreement farms.

### **Recovery of one of Scotland's fastest declining birds**

The corn bunting is one of Scotland's fastest-declining birds. Eastern Scotland now holds most of the remaining Scottish population, but even here, they are declining rapidly. A recent study shows there has been an 83 per cent decline in singing males on 25 sites in Aberdeenshire and Tayside between 1989 and 2007. The combination of a late breeding season, a preference for nesting in growing crops and a seed diet centred on grains is likely to have made corn bunting populations especially vulnerable to modern agricultural practices. In order to tackle the declines, the RSPB initiated a special agri-environment scheme, support by Scottish Natural Heritage, which attempted to provide the right mix of nesting and feeding resources on farmland. On farms in the targeted scheme, corn bunting numbers increased by 5.6% per annum. In contrast, numbers showed no significant change on farms in the Scottish government's standard agri-environment scheme, and declined by 14.5% per annum on farms outside both schemes.

### **Hope Farm and the potential of schemes to tackle declines of generalist farmland birds in the wider countryside**

Hope Farm, a 181ha arable farm in Cambridgeshire, was bought by the RSPB in 2000 in order to trial new agri-environment options and demonstrate that increases in biodiversity could be secured alongside a productive and profitable farm business. To this end, Hope Farm entered the English 'Entry Level Stewardship' scheme and implemented a range of land management options to deliver the 'big three' for farmland birds: appropriate and adequate nesting sites, spring food for chicks and over winter food resources. Ten years after buying the farm, farmland bird numbers had risen by 201%, in contrast to regional and national trends of ongoing decline. At the same time Hope Farm is as profitable and productive as equivalent farms that have not implemented these measures. This case study is not, however, a celebration of the Entry Level Stewardship scheme but rather of the land management options it contains, which when implemented well, can secure meaningful biodiversity benefit. It also highlights that broad and shallow schemes which allow entrants free choice over the options they implement are highly unlikely to deliver population recovery of declining species, or address wider environmental issues, as most applicants choose the easiest options and those which require the least modification to their current land management practices.

### **Yellowhammers back from the brink in Northern Ireland**

Over the past 50 years NI Agriculture has moved from being a predominantly mixed system to be one dominated by intensive grass/dairy/beef/sheep. This has led to a decrease in cereal land use, a source of food for seed eating birds such as

yellowhammers. As a result yellowhammers declined by as much as 90% in some places in NI. East County Down is one of the remaining strongholds for cereal production in NI. A recovery project was launched targeting AES measures in East County Down, where they were needed most, and coupled with advisory support. The result of a 5 year period was a 79% increase in yellowhammers, with a 21% increase on nearby farms which did not partake in AES or receive advisory support - showing an overspill affect into the wider countryside.

### **EU rightly applies precautionary principle in relation to Genetically Modified Organisms (GMOs)**

Decisions on authorisation of new GMOs are taken at the EU level. To date, the more precautionary stance of some Member States has effectively prevented other Member States from growing GM crops. The UK Secretary of State has expressed frustration at this situation, indicating that he would be keen to welcome GMO production to the UK. However, the RSPB believes the EU's precautionary stance is appropriate given the scale and scope of potential long-term risks to health and the environment, highlighted in a recent statement by the European Network of Scientists for Social and Environmental Responsibility<sup>80</sup> which states there is no scientific consensus on GMO safety and unanswered concerns over toxicity and environmental risk. There is no evidence that lack of GM crops is putting EU agriculture at a global disadvantage. A recent study compared farming in North America (where GM adoption is near saturation) and Western Europe (where GM crops are virtually absent)<sup>81</sup>. It concludes that, compared to the EU, US yields are falling behind and fluctuate more severely, while pesticide use is higher and genetic diversity of crops (vital for resilience) is falling. GM crops are not the sole direct cause of all these problems, but neither are they a solution.

This demonstrates how in situations where the UK is not fulfilling an environmental leadership role (unlike agri-environment for example) EU competence in agriculture acts as a valuable safety net and is therefore also acting in interests of the UK's citizens and environment.

### **Principle of minimum standards attached to CAP funds is vital to future reform**

There is a strong justification for robust minimum standards of environmental protection attached to all EU funding streams, and for this to be an area of EU competence. Such an approach prevents a 'race to the bottom' by setting baseline standards that all farmers and land managers, regardless of where they reside, have to abide by.

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<sup>80</sup> <http://www.ensser.org/increasing-public-information/no-scientific-consensus-on-gmo-safety/>

<sup>81</sup> Jack A. Heinemann , Melanie Massaro , Dorien S. Coray , Sarah Zanon Agapito-Tenfen & Jiajun Dale Wen, International Journal of Agricultural Sustainability (2013): Sustainability and innovation in staple crop production in the US Midwest, International Journal of Agricultural Sustainability, DOI: 10.1080/14735903.2013.806408

The introduction of cross compliance in the context of CAP Pillar I support was an extremely important step as it attempted to introduce such a set of baseline standards within the EU. However, how this currently works is extremely poor and implementation is currently failing to deliver (see below).

## ii) disadvantages the UK national interest?

Despite a number of reforms that have introduced, or strengthened, positive elements within the CAP (particularly environmental schemes within Pillar II), the Policy remains fundamentally flawed and out of balance with the challenges facing agriculture today, most notably the failure to utilise its considerable budget to require and incentivise sustainable forms of land management. Currently the bulk of the Policy's budget actively subsidises unsustainable land management and has a significant negative impact on biodiversity and natural resources both in the short and longer term. The following examples provide the justification for this position.

**Balance of CAP expenditure:** The bulk of the CAP budget, Pillar I payments, fails to secure a basic level of good land management and directly incentivises negative environmental practices, despite costing the UK taxpayer over £2.5bn per year. The budgetary split between Pillar I and Pillar II, at the EU and Member State level, has little justification as numerous studies identify the lack of rationale and value for money from Pillar I payments<sup>828384</sup> whilst highlighting the positive delivery from well designed, funded and executed Pillar II schemes, and the need to increase their funding<sup>8586</sup>.

Despite this wealth of rigorous intellectual input, the level of funding assigned to Pillar II remains woefully low, both in terms of the proportion of the CAP budget it accounts for, just 24% at the EU level, and the total amount. The cost of undertaking environmentally beneficial land management on agricultural and forested land, necessary to meet existing environmental obligations and commitments, has been estimated to be €43bn per year<sup>87</sup>. This figure greatly exceeds the amount of funding in Pillar II, and is more in line with the annual Pillar I budget. A similar story can be told in an English context: The scale of need to meet Biodiversity 2020 and WFD objectives has been estimated at £3.8bn<sup>88</sup> and £3.2bn<sup>89</sup> respectively over the lifetime

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<sup>82</sup> Zahrnt, V (2009) *Public Money for Public Goods: Winners and Losers from CAP Reform*. ECIPE Working Paper No. 08/2009.

<sup>83</sup> Hofreiter et al., (2009) *A Common Agricultural Policy for European Public Goods: Declaration by a Group of Leading Agricultural Economists*

<sup>84</sup> Bureau et al (2010) *The Single Payment Scheme after 2013: New Approach – New Targets*.

<sup>85</sup> IEEP (2011) *Improving the Environmental Effectiveness of Rural Development Policy: Proposals for Legislative Changes*, Paper prepared for BirdLife International

<sup>86</sup> Land Use Policy Group (2009) *Securing our Common Future through Environmentally Sustainable Land Management: The Land Use Policy Group Vision for the Future of the CAP post 2013*, March 2009

<sup>87</sup> IEEP (2010) *Costing the environmental needs related to rural land management*.

<sup>88</sup> Natural England (2013) *Statutory and policy commitments in relation to the delivery of terrestrial biodiversity through agri-environment schemes*. March 2013, unpublished

<sup>89</sup> Defra (2013) *Implementation of CAP Reform in England Consultation Document*

of the 2014-2020 CAP. Even if we accept a degree of overlap, this is still significantly more than the amount that will be available in Pillar II in England to 2020 – just £3.1bn.

**Pillar I eligibility:** In order to claim Pillar I payments, farmers and land managers must have eligible land. Some features, such as hard standings and roads are uncontentious in their ineligibility but others, such as areas of scrub and gorse, are of environmental value and their exclusion from payments can incentivise their removal or destruction. Whilst EU rules do recognise the environmental value of vegetation like this, and allow farmers to claim Pillar I payments on this land, the way the rules have been interpreted by Member States, and in turn by farmers, is problematic.

For example, in Northern Ireland, farmers are required to undertake a fairly complicated set of calculations to work out how much of their land to declare as ineligible. Different thresholds apply but any area of scrub larger than 0.1ha will lead to a reduction in the farmer's eligible area, from a reduction of 2.5% for areas of scrub with a density of 5% or less, right up to 100% for areas of scrub with a density greater than 50%<sup>90</sup>. These rules directly incentivise the clearance of vegetation in such areas in order to both maximise the area eligible for payments and to remove the risk of future penalties (applied when a farmer miscalculates their eligible area). As such features are often performing important environmental functions, such as nesting and foraging sites for farmland birds, their loss has significant negative environmental impacts.

**Distribution of Pillar I payments:** Pillar I payments are not correlated with, or explicitly require the delivery of environmental public goods and as such tend to disadvantage those who are producing the highest levels of public goods, particularly High Nature Value farming systems, whilst benefiting those who are most able to compete on the commodity market.

In the UK, during the 2007-13 CAP period, a variety of approaches were taken to distributing Pillar I payments. England adopted a dynamic hybrid model (moving to a flat rate by 2012), Northern Ireland adopted a static hybrid model and Wales and Scotland adopted historic rates. In all cases, the intensity of Pillar I spending reflects 'productivity' in commodity terms with the most productive regions receiving the highest payments. This is true even in England where there are currently three separate flat rates (for lowland areas, Severely Disadvantaged Areas and Severely Disadvantaged Areas-Moorland) with the rates decreasing the further you move 'up the hill'.

Although all Members States, and regions or countries therein, will have to move to a flat rate per hectare payment for the new Basic Payment Scheme (BPS) by 2019, and so in principle equitably distribute the BPS between all farmers, in reality the rules will allow for payment rates to stay largely as they are through the creation of new administrative regions within which to distribute payments.

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<sup>90</sup> Pg 6: <http://www.dardni.gov.uk/lpis-correction-form.pdf>

More importantly, however, the continued absence of an explicit link between Pillar I payments and the delivery of environmental goods will mean such payments cannot be used to reward and improve their delivery. The introduction of the new ‘greening’ payment is unlikely to improve the situation as its requirements were so deeply eroded during CAP negotiations.

The continuation of largely ‘strings-free’ direct payments into the next CAP will have negative environmental consequences through continued, and significant, support to sections of the farming sector that are fundamentally unsustainable in their approach to land management. This is not only harmful for the natural environment but also for the long-term sustainability and viability of the farming sector itself, dependant as it is on natural resources such as soil, water and functional biodiversity.

From a non-environmental perspective, such payments will also work against the UK’s aspiration for a truly competitive farming sector due to the buffering effect Pillar I payments have, shielding farmers from the full force of market demand and stifling innovation.

**Cross compliance:** The introduction of cross compliance in 2005 was a significant step forward as it recognised, for the first time, the principle of making Pillar I direct payments conditional on meeting a range of requirements encompassing the environment, public, plant and animal health. Many of the system’s environmental requirements directly relate to existing EU or national legislation (for example, the 1997 Hedgerows Regulation in England). Due to the significant sums of CAP funding involved, cross compliance (or more accurately the threat of penalties should breaches be detected during an inspection) should act as a powerful incentive to abide by environmental legislation, and other cross compliance standards.

The actual content of cross compliance is a significant cause for concern however. For example, during the 2008 ‘Health Check’ and the 2013 CAP reform, key elements of the Birds and Habitats Directive were removed, including the “non-selective capture or killing of birds<sup>91</sup>”, for example through poison-laced bait, and the deliberate killing or capture of wild birds, damage to eggs and nests and disturbance<sup>92</sup>. Several arguments were put forward by decision makers for their removal, including the current low level of breach detections, viewed by some as synonymous with the amount of breaches themselves. However, the evidence strongly contests this: In the UK, between 2006-2008, only one cross compliance penalty was associated with non-compliance with the Birds Directive, despite 22 cases of confirmed persecution of birds of prey in 2008 alone<sup>93</sup>.

There are other issues of concern related to the content of cross compliance, notably the absence of key environmental legislation. Throughout the most recent CAP

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<sup>91</sup> Article 8(1) COUNCIL DIRECTIVE of 2 April 1979 on the conservation of wild birds (79/409/EEC)

<sup>92</sup> Article 5(a), (b), and (d) COUNCIL DIRECTIVE of 2 April 1979 on the conservation of wild birds (79/409/EEC)

<sup>93</sup> RSPB 2009a. Birdcrime 2008: offences against wild bird legislation in 2008; RSPB 2009b. The illegal killing of birds of prey in Scotland in 2008.

negotiations, Member States and MEPs strongly, including UK representatives, resisted the Commission proposals to include the Water Framework Directive and it will only become part of cross compliance once it has been fully implemented by all Member States. As WFD implementation is progressing woefully slowly across the EU, this caveat will essentially mean the WFD does not become part of cross compliance for the foreseeable future. But this state of affairs is entirely unjustified. Agriculture is responsible for around a third of the water quality/ecological failures reported under the EU Water Framework Directive in England, on a par with the water industry. However, the scale of the impact of farming on our rivers, lakes estuaries and coasts is not reflected in the scale of investment the industry is making. Currently the water industry bears the brunt of the costs (£249m or 80%) with agriculture contributing just £0.2m (0.1%). One way to address this imbalance would be to make adherence to WFD requirements (taken from nationally developed River Basin Management Plans) part of cross compliance.

Cross compliance inspection rates are also deplorably low, an issue highlighted by the European Court of Auditors<sup>94</sup>. EU rules require only a minimum of 1% of Pillar I beneficiaries to be inspected each year. For a farm that has not been identified as higher risk through, for example, the RPA's risk based assessment approach in England; this means they may only be inspected once every 100 hundred years. This is clearly insufficient, and fails to act as a meaningful deterrent to environmental crime or mis-management. In England, the RPA finds on average only 72 failures a year to meet all watercourse and hedgerow standards<sup>95</sup> however catchment 'walkovers' undertaken by Environment Agency staff suggest at least one watercourse failure for every kilometre of riverbank<sup>96</sup>. In the North West of England, catchment walkovers identified over 2400 separate pollution incidents, with 152 (6%) classified as Grade 1, the most severe rating.

Another example concerns Nitrate Vulnerable Zones (NVZ), a requirement of the Nitrates Directive. In 2011, 64 farmers were found to be in breach of NVZ requirements by the RPA but an NFU survey of 150 dairy farmers in the same year identified that almost half of respondents were knowingly failing to meet NVZ requirements e.g. 46% were exceeding the 170 kg nitrogen /ha farm limit without a derogation to do so. Whilst this sample size is clearly very small (there are around 10,000 dairy farms in the UK), the figures are startling and indicate there are likely to be much greater issues of compliance than RPA figures suggest.

Even when a cross compliance breach has been identified there are problems with enforcement. As the easiest breaches to detect are those which are highly visible, such as missing ear tags in cattle, there can be a disproportionate impact on livestock producers, including extensive grazing systems, which are typically of greatest environmental value. In cases where very serious cross compliance

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<sup>94</sup> European Court of Auditors (2008) Is cross-compliance an effective policy? Special report No 8:27-29

<sup>95</sup> RPA (9/9/2013) Online Cross Compliance Inspection Statistics (<http://tinyurl.com/rpastats>)

<sup>96</sup> Environment Agency (2012) Catchment Walkovers in the Environment Agency: A national overview

breaches are detected, up to 100% of the CAP payment can be withdrawn as a penalty (and even criminal charges if relevant) but there is no requirement on the land manager to take remedial action to address the environmental damage caused, for example to re-establish habitat if the breach involved habitat destruction.

Even when benefits can be identified as a result of the cross compliance systems, the system as a whole still represent very poor value for public money. A report<sup>97</sup> commissioned by Defra identified that cross compliance generates benefits with an estimated value of between £24 to over £40million per year. Even taking the higher end of the range, this equate to £1 of public benefit being secured for every £36 of Pillar I money spent – hardly a healthy return.

In order to be an effective policy mechanism, cross compliance would need to be radically improved in terms of content and the implementation in MS, to address all the issues outlined above.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

As we have explained above, there is strong justification for EU action for the environment via relevant policies, particularly the CAP. The scale of need also justifies a significant level of EU action. Therefore, the current level of EU action in terms of both funding and legislative requirements is not inappropriate. However, what is inappropriate is the way this action takes place i.e. predominantly through Pillar I payments (and associated rules) which channel the CAP's considerable influence through subsidies to often fundamentally unsustainable forms of farming. The use of CAP money in this way is not only environmentally harmful and deeply wasteful, it also acts as an artificial buffer against market drivers and as such hinders innovation and competitiveness – despite frequent, but incorrect, claims by certain elements of the stakeholder community that such payments are key to continued farming competitiveness.

The focus of the CAP should be shifted away from untargeted, inefficient and wasteful Pillar I payments towards payments which reward the delivery of environmental public goods which are inadequately rewarded by the market.

Protecting and enhancing the natural environment helps underpin a competitive, resilient and a sustainable farming sector in a number of ways, including through supporting a range of ecosystem services that benefit agricultural production<sup>98</sup>. The Natural Capital Committee also identified the wider benefits of targeting CAP support towards the environment: *“Improving the allocation of resources by redirecting this [direct income support] expenditure towards incentivising farmers to produce the things that the market will not provide on its own – the public and environmental*

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<sup>97</sup> ADAS, CSL & CCRI (2009) Evaluation of cross compliance

<sup>98</sup> FERA (2012) [Ecosystem services from Environmental Stewardship that benefit agricultural production](#)



*goods – could increase wellbeing and potentially have knock-on impacts for the wider economy*<sup>99</sup>.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Please see our response to Question 5.

**Q5. What evidence is there that current competence over forestry policy:  
i) benefits the UK national interest?**

The EU has limited direct competency over forestry policy due to the scope of the EU's treaties. The recently revised EU forestry strategy aspires to improve the environmental sustainability of forestry in EU Member States, but it does not sufficiently prescribe sustainable forestry and lacks the ability for this to be implemented.

However, the EU competences in agriculture and biodiversity protection do have important influences on forestry policy and its delivery mechanisms at UK country level, for example by the co-financing of woodland management and planting grants under the current EU Rural Development Regulation, the conservation and enhancement of wildlife under the EU Birds and Habitats Directives and the requirement for environmental assessment of forest planting and woodland removal under the EU's environmental impact assessment (EIA) directives. The EU also has an important role in forest plant health matters, including the regulation of plant trade. The EU's policy competence on procurement has some implications for domestic forestry policy and practice in the UK, for example related to public sector procurement and biomass sustainability standards.

There are a variety of European and International non-EU processes that are important, or have been important, for the development of more sustainable approaches to UK forestry. For example the Forest Europe (formerly 'Ministerial Conference for the Protection of Forests in Europe' [MCPFE]) process which resulted in the introduction of the 1993 MCPFE Helsinki Principles of Sustainable Forest Management<sup>100</sup> which were implemented in the UK by the introduction of the UK Forestry Standard<sup>101</sup> in 1998, the requirements of which are a condition for the consent of all woodland planting, management and felling, including land management grants, felling licensing, approval of state and private sector forest management plans and environmental impact assessment for forestry planting and woodland removal. The UK Forestry Standard was developed following concerns

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<sup>99</sup> Natural Capital Committee (2013) *The State of Natural Capital: Towards a framework for measurement and valuation* (p. 48)

<sup>100</sup> [http://www.foresteuropa.org/docs/MC/MC\\_helsinki\\_resolutionH1.pdf](http://www.foresteuropa.org/docs/MC/MC_helsinki_resolutionH1.pdf) NB The EU is not a member of MCPFE/Forest Europe, but is an observer. Individual EU Member States, such as the UK, are Forest Europe members and signatories.

<sup>101</sup> First edition in 1998, 2<sup>nd</sup> Edition 2004 and the current 3<sup>rd</sup> Edition in 2011. The UK Forestry Standard includes biodiversity requirements. 'UK Forestry Standard compliance' includes with its associated Forest Guidelines, including on biodiversity, soil, water, climate change, historic environment, social aspects and landscape.

about unsustainable forestry practices causing environmental damage for example to native woodlands, internationally important peatland habitats and to lowland heathland. It also was UK Government's response to the 1992 UN Conference on Sustainable Development Forest Principles.

The UK Forestry Standard is an important basic environmental check on new forest planting and management of woodland, as well as the felling licensing under Part 2 of the Forestry Act 1967 in England, Scotland and Wales, and under The Forestry Act (Northern Ireland) 2010, and forestry environmental impact assessment regulations for England and Wales, Scotland and for Northern Ireland.

The RSPB has concerns that the UK Forestry Standard is not fully applied to all woodland planting, management and felling contexts, for example to lower tier agricultural grants or through the town and country planning system – we also are concerned about how the UK Forestry Standard allows replanting of trees on important open ground habitats that are capable of ecological restoration.

The RSPB has concerns about the limited level of stakeholder consultation that the UK Government and devolved administrations carry out in relation to EU and International forestry policy development which impacts domestic forestry policy and practice. It is unclear what the UK Government's input to the EC Standing Forestry Committee is, and how it collects and considers environmental, social as well as economic stakeholder views at UK and devolved administration level.

## **ii) disadvantages the UK national interest?**

The RSPB would welcome an enhanced approach to EU plant trade regulation and effective practice to protect biodiversity from the introduction of invasive non-native species. The current twin EU reforms taking place on plant trade and invasive non-native species must address this issue. This needs to cover plant reproductive material collection, propagation, growth, transport and planting of trees for agriculture, forestry, amenity and domestic horticulture and landscaping. This must also include the specification and traceability for biosecurity. It seems that there is an opportunity about to be missed with the development of the UK's Rural Development Programmes – biosecurity for trees must be incorporated into scheme rules – there is real scope to tweak the current Forest Reproductive Materials System in the UK combined with guidance to tree specifiers/woodland owners and requirements built into land management grant schemes for woodland expansion and improvement.

For further information please see our written evidence to the current House of Commons Environment Food and Rural Affairs Committee Inquiry into Tree Health & Plant Biosecurity<sup>102</sup>.

The RSPB also has concerns about the lack of minimum requirements within the EU's Rural Development Regulation and associated funding package related to sustainable forestry, including the location and design of new forestry plantations so

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<sup>102</sup> <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenvfru/writev/tree/m10a.htm>

as to not cause biodiversity loss or damage to important wildlife habitats or species populations.

The RSPB is concerned about the implementation in the UK of the EC Environmental Impact Assessment directives in relation to forestry. We do not think that the cumulative environmental impacts of afforestation are being properly considered. We also have concerns about how environmental assessment is applied in practice to individual proposals for woodland expansion with potential significant environmental impacts on breeding wading birds being missed, and proposals through lower level agri-environment grants being exempted from environmental assessment requirements either through administrative convention or by application of area thresholds.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Many of the environmental challenges facing us, particularly biodiversity and climate change, are trans-boundary in nature and the prospects of addressing them (and meeting national, EU and global commitments) will not be achieved if disparate and inconsistent action takes place across the EU.

Achieving shared environmental goals strongly benefits from a common framework and common shared standards. Such an approach helps to ensure consistent efforts and prevents a race to the bottom. There is a similarly a need to co-ordinate and pool resources to tackle projects that one country alone cannot address (e.g. migratory species and pollution of shared waterways) and to reflect different countries' ability to pay and the unequal distribution of biodiversity across the EU .

It is important to remember that EU competence in agriculture translates into action at the Member State level (or region/country therein) and that there is considerable flexibility in what this action looks like. Therefore, national, regional and local action is all entirely feasible (and already takes place) under current CAP rules in the UK. As we have highlighted in earlier sections, a major shift in the overarching CAP framework is required to ensure that all payments are explicitly linked the environmental public good delivery but this would nether prevent appropriate action at smaller scales of governance or undermine the justification for EU level competence – in fact a CAP guided by the 'public money for public goods' principle would strengthen the justification for EU level competence.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

The most recent round of CAP reform was the first to reflect co-decision between the Council of Ministers and the European Parliament and was a very welcome development as it improved the EU's democratic accountability. The positive

elements of this change included improved transparency in CAP negotiations and new opportunities for stakeholders to engage e.g. via direct contact with their MEPs.

In order to maximise the benefits of this enhanced democratic process, it is vital that we see greater awareness and engagement with European politics from the general public in the UK, in particular the new and expanding role of MEPs and their role in decision making with regard to nature and wildlife.

## **ii) disadvantages the UK national interest?**

In the field of agriculture policy-making, co-decision has not yet delivered positive results for the natural environment, although it should be noted that this is the first opportunity for co-decision in the area of agriculture policy and therefore drawing firm conclusions on the value of co-decision as a principle on this basis would seem premature. There are three main points of concerns we would like to highlight:

- 1. UK isolation in CAP negotiations (European Council):** The balance of decision-making powers demands that the UK maximises its impact in the Council and the Parliament in order to secure reforms advantageous to the national interest. However, the UK's diminished influence in the Council of Ministers, as a result of the UK government's failure to build sufficiently powerful alliances with other Member States, limited the traction of UK ideas in CAP negotiations. This failure also translates directly back to the UK context where the UK negotiating position, developed primarily in Westminster, is not fully supported by devolved administrations. For example, the Scottish Rural Affairs Secretary, Richard Lochhead, has made it clear he does not agree that Pillar I direct payments should be phased out, in direct contrast to the position long held by the UK in negotiations. This internal disagreement, often played out very publicly in the press, but also communicated directly to EU officials, also serves to undermine the UK's negotiating power in Brussels.
- 2. UK isolation in CAP negotiations (European Parliament):** In the European Parliament, the decision to pull UK Conservative MEPs out of the EPP group to create the much smaller and less influential ECR Group had the same limiting effect on the UK's negotiation influence. However, there are also underlying concerns over the degree of Government control over its own MEPs: the absence of a whip system led to inconsistencies between the UK Government's position in negotiations and the positions of MEPs from coalition parties. For example, Julie Girling, Conservative MEP for the South West of England, made clear her support for 'double funding'<sup>103</sup> (where a farmer would get paid twice for the same environmental measure) despite double funding being vocally opposed by the UK in negotiations. In addition, the differences between the UK negotiating position and devolved administrations directly undermined the Government's reform aspirations inside the Parliament: Two UK MEPs held positions of significant influence during negotiations, Jim Nicholson (Ulster

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<sup>103</sup> [Western Morning News](#) (21 January 2013) EU must re-think farming subsidies to make them work.

Conservatives and Unionists – New Force) and George Lyon (Scottish Liberal Democrats), but both directly opposed key elements of the UK's position, including the flexibility to undertake more ambitious greening requirements.

### 3. **Concentration of European Parliament power in the Agriculture**

**Committee:** Responsibility for developing and leading the Parliament's position in CAP negotiations was given to the Agriculture Committee (COMAGRI) despite the Environment Committee (COMENVI) explicitly requesting shared responsibility in recognition of the CAP's significance for other areas of EU competence. The UK's ability to influence this decision was limited as the only UK representative in the Conference of Presidents (the political body which decides committees' responsibilities) was Martin Callanan MEP, who chairs the relatively un-influential ECR Group. The decision paved the way for the European Parliament's input into CAP negotiations to be dominated by an extremely entrenched and conservative view of agricultural support and one which sidelined wider environmental interests. In future, policy negotiations that span multiple policy areas should require the full involvement of all relevant committees in the development of the Parliament's negotiating position.

It is also important to highlight the role of the European Commission as, in theory at least, an independent, politically neutral and evidence based body. As such this institution should fit more naturally with the UK's longer term aspirations for CAP than many Member States and MEPs. Therefore, the UK should be doing more to both influence the Commission itself (i.e. through the appointment of a more progressive, visionary Commissioner, encourage greater linkages between DG Agriculture and DG Environment) and support a strong and central position for the Commission during co-decision (trilogue) in recognition of its role as defender of a (hopefully) coherent reform package. The Commission also benefits from relative immunity to many of the issues and stakeholder relationships that beleaguer politicians and decision makers rooted in national contexts.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

EU legislation governing the production, processing and labelling of agricultural commodities can play a role in driving up standards outside the EU, sometimes referred to as 'green tariffs'. These market access conditions can both improve production methods in non-EU countries and ensure that UK and EU producers are not placed at a competitive disadvantage.

**Q9.** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant**

## **health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The UK's access to EU markets provides an obvious benefit to UK consumers through the wider choice of products available. This choice also helps make the UK much more resilient to domestic production shocks which may restrict the availability of certain commodities at home.

In some key areas, this choice is underpinned by legislation that guarantees the continuity of production methods across the EU. Organic production standards are particularly important and provide consumers with a level of confidence that the organic produce they buy has been produced to certain clear standards covering input use and animal welfare.

### **Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

EU biofuel support policies increase the competition between biofuels crops and food production and can thus contribute to driving up food prices as well as having significant negative environmental and social consequences. A number of biofuels crops are staple foods in many countries. Of particular concern is that wheat and maize (to ethanol) are staple foods in developing nations. Rising prices of staples has a very large impact on food buyers in these countries.

An enquiry by the International Development Committee of the UK parliament<sup>104</sup> examined a significant body of evidence from many different stakeholders. They concluded on food prices and food insecurity that *“Biofuels are driving higher and more volatile food prices and are having a major detrimental impact on food security .... On the demand side, policy-driven demand for biofuels and the consequent use of food crops for fuel is driving up food prices... biofuels mandates should be reformed.”*

This issue was also examined by the High level panel of experts (HLPE) of the FAO<sup>105</sup>. They conclude that *“In the last few years of short-term (since 2004) commodity food price increase, biofuels did play an important role.”* They also concluded that there is ample documentation that large-scale biofuel investments are playing an important role in transforming land use in many developing countries. Continued EU support for biofuels will only exacerbate these trends.

Furthermore, Princeton University academic, Timothy Searchinger, analyses (on behalf of Friends of the Earth)<sup>106</sup> existing research on the indirect land use change

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<sup>104</sup> <http://www.parliament.uk/business/committees/committees-a-z/commons-select/international-development-committee/news/substantive-global-food-security-report-publication/>

<sup>105</sup> [http://www.fao.org/fileadmin/user\\_upload/hlpe/hlpe\\_documents/HLPE\\_Reports/HLPE-Report-5\\_Biofuels\\_and\\_food\\_security.pdf](http://www.fao.org/fileadmin/user_upload/hlpe/hlpe_documents/HLPE_Reports/HLPE-Report-5_Biofuels_and_food_security.pdf)

<sup>106</sup> [http://www.foeeurope.org/sites/default/files/press\\_releases/searchinger\\_paper\\_foee\\_briefing\\_understanding\\_biofuel\\_trade-offs\\_july2013.pdf](http://www.foeeurope.org/sites/default/files/press_releases/searchinger_paper_foee_briefing_understanding_biofuel_trade-offs_july2013.pdf)

(ILUC) impacts of biofuels for the European Commission by IFPRI<sup>107</sup>. Searchinger's analysis makes the trade-offs between ILUC as a result of biofuel production, hunger and poverty clear:

- The IFPRI model predicts that of every 100 calories from wheat or maize diverted to fuel tanks, roughly 25 calories are not replaced – meaning fewer food calories are available for people. This holds down the impacts on climate change, but occurs at the expense of food production and consumption – mostly in the poorest parts of the world because people in richer countries will still be able to afford enough food.
- Searchinger's analysis also shows how IFPRI predicts a large reduction in food quality. Most of the additional land needed to produce wheat or maize for ethanol displaces other crops, including vegetables. Because these other foods become more expensive, consumers (particularly the world's poorest) will eat less well.
- The analysis shows for the first time how the IFPRI study predicts that, for every hectare of maize planted for ethanol, 60% comes at the expense of using that land to produce crops for food – meaning more fuel but less food. Increased yields can help to replace some of the food lost from the supply system – but it is not clear that farmers are able to achieve crop yield improvements above and beyond normal yield gains in response to biofuels. If they cannot, people either go hungry or more land is converted.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development. Direct Payments: The rules governing the use of Pillar I payments actively prevent the UK from using these funds to further its own objectives for the farming sector.**

- **Transfers into Pillar II:** Voluntary Pillar I to Pillar II transfers have been a mainstay of UK CAP implementation for many years, reflecting in part our historically poor Pillar II deal as well as an ideological commitment (in England at least) to phasing out Pillar I payments in the long term. These transfers are vitally important to address, at least particularly, the funding gap for environmental measures and the ability of the UK to meet its own environmental objectives. The decision at the EU level to halt the mandatory transfer of funds into Pillar II, for all Member States and increasing over time, was extremely misguided and has helped create a climate where voluntary transfers are particularly vulnerable.

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<sup>107</sup> [http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc\\_148289.pdf](http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc_148289.pdf)

- **Transfers into Pillar I:** The decision to allow Member States to transfer funds from Pillar II into Pillar I will work against the UK national interest because even though such transfers will not take place in the UK, it has effectively reversed a trajectory of reform for the steady and pan EU shift of Pillar I funds into Pillar II. This trajectory was in line with the UK's own aspirations for the CAP and as such has been dealt a blow.
- The **annual, non-contractual nature of Pillar I payments** means that UK governments cannot use them to effectively target public support at environmentally beneficial systems of farming or buy explicitly defined environmental public goods over time (in contrast to Pillar II payments)

### Rural Development

- As highlighted in our response to Question 2, the EU requirement for Member States to spend at least **30% of Pillar II funds on environmental measures** has significant value. In the absence of such a requirement, it is likely that the availability of agri- environment schemes would decline across the EU. Ensuring that other Member States have to offer agri-environment schemes helps prevent a 'race to the bottom' in environmental management. It also supports the UK's long term aspirations for the CAP by ensuring every Member States uses a proportion of their CAP budget to support environmental public good delivery.

### Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?

A range of challenges and opportunities are likely to present themselves in the short to medium term:

#### Challenges

- Demand for agricultural commodities, both food and non-food, will continue, generating further pressure to intensify agricultural land management , in turn generating increased negative pressure on the natural environment for example, further biodiversity losses.
- Need to reduce total emissions from agriculture in order to play appropriate role in climate change mitigation.
- Need to adapt to climate change in environmentally sound ways (avoiding 'mal-adaptation' and 'mal-mitigation'), including water availability and extreme weather events.
- Increased demand and competition for finite resources such as fossil fuel derived agricultural inputs.
- Loss of pesticides due to both rising health and safety standards and the development of pest resistance.

#### Opportunities



- Rising public awareness about the role and impacts of agriculture (both positive and negative) and increasing scrutiny of the level of public support for agriculture. Growing awareness that farming methods often associated with organic production or ‘agro-ecological’ systems can be incorporated into conventional systems and deliver agronomic, financial and environmental benefits e.g. the incorporation of a clover ley to build soil fertility, support pollinator resources and reduce the need for expensive fertiliser inputs as well as providing a fodder crop for livestock.

These challenges and opportunities all support the case for EU level action.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

A common EU policy has the potential to address the environmental and social development challenges facing the UK, and wider EU. Currently the CAP does not do this, in part due to the UK and other progressive MS’s failure to influence the reform process to deliver outcomes in the their (and the environments’) interests. However, this is not an argument against EU action, but an argument in favour of a profound change in the nature of EU action towards one guided by the principle of public money for public goods and of robust and meaningful sustainable development. Whilst, in the short to medium term, the current nature of EU action may work against the UK’s interests, the UK’s concerted efforts to change the nature of EU action from within will, in the longer term work very much for its national interests, both in terms of supporting a thriving and resilient natural environment in the UK, and in terms of securing this beyond the UK’s borders in Europe.

**Q15.** We have no comment to make.

## Rural Payments Agency

### Purpose

- To submit written evidence to Defra, during the Call for Evidence period of 21 October 2013-13 January 2014, of EU action that benefits/disadvantages the UK
  - Trade (Internal & External)
  - Rural Economic Growth
  - Subsidiarity
  - Proportionality

We held informal sessions with groups of our people to raise awareness of the issue, encourage them to respond through the website as individuals and to capture any points made. The attached feedback reflects some of the informal views expressed through the sessions, but are not as such an ‘RPA’ view.

## **Key Message**

- Financial Correction (often referred to as disallowance) can be based on overzealous interpretation of the EU legislation by European auditors, and brings the principles of proportionality into question.
- The processes for remedial action are far too lengthy as even if ultimately the European Court of Auditors rule in our favour we are likely to have spent significant sums mitigating the risk of an alternative ruling.
- The role of the European Court of Auditors is extremely important in ensuring that European funds are properly and we absolutely support that, but the system of consequences needs to be proportionate.

## **Trade (Internal and External)**

### **Advantage**

- Development of a Europe wide approach. For example the policy regarding performance of inspections, reduction in SPS + oversight of inter-pillar transfers, and reimbursement of the crises reserve has all been developed in time for a response to be formulated in time for implementation as long as adequate project resource is available from Jan 2014.

### **Disadvantages**

- Main impact on internal trade with aim of addressing supply chain imbalance. Some limited consolidation within sector as result of schemes – for example within the pea sector.
- The complexity of EU schemes, and driving agreement between Council, Parliament, and Commission means policies can be 'late', and require rapid implementation which incurs costs and causes errors.

## **Rural Economic Growth**

### **Advantages**

- The ban on British beef was lifted due to consumer confidence; this was achieved largely as a result of compliance with EU legislation which provided the credibility needed.
- BSE appears to be have largely eradicated within the national herd thanks to various testing and traceability which is as a result of compliance with EU legislation.
- CAP Pillar 2 provides a fair degree of freedom to Member States to determine the focus and targeting of rural development support based on national conditions.
- The level of rural environmental support if left to wholly national priorities and funding would probably fall far short of the EU provisions.
- Not a direct aim of scheme. However, some benefits could be presumed via support to rural/agricultural businesses and growers.

## **Disadvantages**

- Potential charging for inspections, appears to be excessively burdensome, may be an administrative nightmare with business splitting to try to circumvent, and for the funds this would generate not sure this is best use of taxpayers' money.
- Accommodating all Member States can cause inappropriate costs for example in the livestock sector actions to accommodate other MS who have much smaller numbers of cattle and less intensive rearing.

## **Subsidiarity**

### **Advantages**

- CAP allows a degree of subsidiarity and the chance to make decisions at national level the recent CAP reform proposals are a good example of what can be achieved in that respect through negotiation. Currently for instance, UK opts out of School Fruit Scheme in favour of pre-existing scheme run by Dept of Health. Similarly MS determine their own National Strategy (UK agrees in conjunction with Devolved Administrations) for the scheme. To a degree this determines the type of measures/actions supported under the scheme. However strategies must be accompanied by a detailed Environmental Framework. Latter document has significant EU input and can only be formally adopted once signed off by Commission Horticultural market unit.
- Member states are empowered to determine 'how' some of those principles will work locally e.g. recent decisions on share of CAP to be spent on direct payments.
- This represents the best balance of competence – with Member states being best placed to exercise 'power' locally and EU best placed to exercise 'power' on behalf of member states to represent common interests, primarily in the global marketplace.

### **Advantage and disadvantage**

- The Member State is largely free to develop its administrative structural response to the CAP as it sees fit. As an example: IT infrastructure and databases are not prescribed in advance, although the EU provides technical guidelines via the Joint Research Council in many technical areas. However, having exercised its autonomy in allowing MS to develop their national structures, the EU reserves the right to penalise the Member States if they are seen to have erred. In this instance if the EU developed the systems it would protect the Member States from the penalties.

## **Proportionality**

### **Advantages**

- Should (subject to the key message) ensure that responsibilities and accountabilities generated by EU legislation are clear.

## Disadvantages

- As per the key message, when there is a dispute clarity takes too long to emerge.

## Salter, Anne-Marie

### Q1. Should the EU have competence for agriculture and plant health?

EU regulations should only apply to large-scale farming. Seeds and plants for smallholding and home garden use should be controlled by UK laws not EU laws which are designed for big farmers. These are very very different markets. It is essential for ensuring biological resilience and genetic diversity that the seed bank is kept as broad and diverse as possible. Commercial registration of seeds restricts and works against the small scale seed saver.

## Sandison, Chris

### Q1. Should the EU have competence for agriculture and plant health?

It may make sense for the EU to have competence at the commercial level, but I can see no advantage in allowing the EU competence over amateur and small-scale growers if the EU acts only in the interests of the commercial sector. The proposed EU Plant Reproductive Material law grossly infringes the right of individual citizens to grow and eat what they wish and preserve their heritage. It is unpopular with growers all over the EU, but if the EU continues in this vein I would welcome the UK reclaiming competence for non-commercial growing.

Q2. - Q15. Not Answered

## Scotch Whisky Association

### Overview

The Scotch Whisky Association (SWA) welcomes the opportunity to provide input to the UK government's Balance of Competences review.

The SWA is the industry's officially recognised representative body, responsible for protecting and promoting Scotch Whisky both at home and abroad.

We have two points to make on the agriculture competence.

### Regulation within the internal market for food and drink

In 2012, sales of Scotch Whisky within the then 27 EU Member States totalled more than half a billion bottles, or about 40% of the industry's volumes.

The trade environment within the EU internal market, in which one set of common rules applies, is immeasurably simpler than the alternative in which 28 different regulatory regimes would operate. EU rules, agreed with considerable and very helpful input from UK officials and MEPs, impact on almost every facet of trade in Scotch Whisky. These include: spirits definitions; protection of 'geographical indications' (such as Scotch Whisky); labelling; taxation; a standardised range of bottle sizes; holding and movement of excisable products; and environmental issues.

While the internal market is not perfect, the existing arrangements permit the UK Government to help shape the rules which govern it; they also greatly facilitate the resolution of problems arising from the inappropriate application of EU rules. Securing and maintaining an optimal trading environment requires a strong UK presence when legislation is being prepared or amended.

### **Trade Aspects**

The Association has identified over 450 tariff and non-tariff barriers affecting Scotch Whisky in more than 150 of its export markets. Future export growth for Scotch Whisky is thus heavily dependent upon the removal of such impediments to trade through the trade policy and market access work of the Commission. Of particular importance to the industry are the free trade agreements (FTAs) and economic partnership agreements (EPAs), which can secure tariff liberalisation and the elimination of many non-tariff barriers, together with the protection of Scotch Whisky as a geographical indication. By exercising its negotiating 'clout' on behalf of all Member States, the European Commission is usually able to deliver favourable outcomes for many EU industries.

Spirits (and wines) are generally a high priority for the EU and thus tend to be among the major beneficiaries of these agreements. However, it is important that they are given due priority in the conduct of the negotiations. The UK Government has an important role to play in pressing for this, for example by urging an offensive stance by the Commission on behalf of important UK export sectors such as spirits, and (very importantly) opposing a more protectionist position in defence of raw agricultural products. The International Section within the Department for the Environment Food and Rural Affairs (DEFRA) is a key player here.

### **Conclusion**

The Association accords a very high priority to securing improved market access to third countries and strongly believes that the European Commission should retain full responsibility for the EU's international trade agenda. It is only by bringing to bear the considerable negotiating power of the EU as a whole that the many tariff and non-tariff barriers confronting Scotch Whisky exporters in world markets can be overcome. Nonetheless, the UK Government has a crucial part to play in ensuring that Scotch Whisky and other UK processed agricultural products are adopted as priorities and vigorously pursued by the Commission for all international trade negotiations.

Consequently, the SWA is a strong supporter of maintaining the UK's active involvement within the EU. In these fields, we see no issues which require subsidiarity or to be repatriated to national level.

## **Scottish Government**

### **BALANCE OF COMPETENCES REVIEW SCOTTISH GOVERNMENT RESPONSE AGRICULTURE (INCLUDING PLANT HEALTH AND FORESTRY)**

#### Introduction

Agriculture is one of the oldest areas of activity at EU level. The original 'common organisation of the markets' for agricultural products was a forerunner for the overall Single Market.

Because of this long history, EU-level action is perceived by many as the norm in relation to agriculture policy. Areas reserved to Member States and Devolved Administrations – including, for example, regulation of agricultural tenancies, and of pay and conditions for agricultural workers – are the exception rather than the rule.

Nonetheless, in many areas of agriculture and related policy it is vital that there should be the ability for local tailoring of EU policies to meet specific needs. Indeed, as set out in detail below, the need for local tailoring has increased as a result of the big changes which agriculture policy has undergone since the 1960s, and which have accelerated in recent decades.

The balance between EU-level action and local discretion must be constantly reviewed, and if recent trends continue then the need for local tailoring must be expected to increase in future.

#### Common Agricultural Policy (CAP)

The original form of the CAP, which aimed to deliver its policy goals by regulating the market for agricultural products among a small and relatively homogeneous set of member states, lent itself readily to action at European level. The early CAP had little need to allow for flexibility to tailor the policy to local needs.

However, that situation has changed radically in recent years.

The evolution of the CAP has seen the introduction of new policy tools which, unlike the original market regulation approach, either benefit from or actively require local tailoring. In particular the Second Pillar of the CAP, covering rural development policy, is an area where the very rationale is that programmes in each Member State or Region should be designed to meet the specific environmental, economic and social challenges faced by that area.

Examples of this include the designation and design of support to farms operating on constrained land to ensure it appropriately reflects the degree of constraint; targeting environmental schemes to ensure local or regional priorities such as priority water catchments or priority species and habitats are addressed; and, directing economic support to regional priority needs and sectors.

In addition, EU enlargement has resulted in a much greater degree of heterogeneity between Member States. This is particularly relevant to agriculture, where production systems are inevitably constrained by factors such as climate and quality of agricultural land.

The original six EEC members had a combined population of around 170 million and only stretched from Germany to Sicily north to south, and from Brittany to Bonn east to west. Currently the EU 28 has a total population of over 500 million, stretching north to the Arctic Circle, and east to west from Portugal to the Black Sea. There are significant differences in the levels of economic prosperity in the EU 28, with GDP per capita ranging from a low of around €13,000 to a high of €80,000.

In light of these trends, the EU has accepted that a one-size-fits-all approach to the CAP would be untenable, and has introduced **more local flexibility** in many parts of the policy. This development is to be welcomed. Indeed it is particularly important for those parts of Europe where conditions are most different from the European average.

This is the case for Scotland, where farmers and crofters face relatively extreme farming conditions compared with European norms. One illustration of this is that about 85% of Scotland's agricultural land is classified as 'Less Favoured Area' under the CAP, meaning that agricultural systems there are seriously constrained by land quality and climatic factors. So the introduction of more local discretion into the CAP has been vitally important for Scotland.

However, there is a potential drawback to this development, in that increasing the level of local discretion within EU policies can lead to greater **complexity**. This can create additional burdens for both beneficiaries and authorities.

In the case of Pillar 2 of the CAP, the recently-agreed rural development regulation for 2014-2020 aims to reduce complexity slightly, for instance by removing some of the requirements for a certain percentage of each programme to be spent on particular policy areas. This re-setting of the balance between local flexibility and EU-wide uniformity was necessary, and is to be welcomed.

By contrast, in the direct payments section of Pillar 1 of the 2014-2020 CAP, complexity has been increased considerably. This results from an attempt to allow local tailoring whilst simultaneously having a high degree of uniformity across Europe. This aspiration was unrealistic. It would be helpful for the EU in future to take a more realistic view of what policies are genuinely effective and deliverable, and what level of complexity and administrative burden is proportionate to the policy outcomes.

Whilst the trend towards more local discretion in the CAP is generally to be welcomed, this does not mean that the concept of a **level EU playing field** should be abandoned. For example, the existence of EU state aid rules ensures that there cannot be an 'arms race' of competing national subsidies for farming.

Also, from the point of view of a Devolved Administration, the existence of a common EU policy provides a degree of protection against potentially divergent views taken by the member state administrations. One example relates to the role of CAP Pillar 1 direct payments. Successive UK governments have taken the view that such payments are of little value, and would have been content to phase them out. The fact that the CAP requires the payments to continue prevented the UK governments from doing so. This is helpful from the viewpoint of a Devolved Administration which sees direct payments as playing a valuable role in supporting farming systems, food production, and the multiple public benefits that farming delivers.

One area where the level playing field concept has made little progress is on the allocation of the **CAP budget**. The European Commission set out fairly ambitious targets for how the 2014-2020 CAP budget could be distributed among member states in a fairer and more rational way, but these were heavily watered down during the negotiations. It would be desirable in future to see a much greater degree of uniformity and fairness in budget allocations across Europe, both between member states and between regions within member states.

In terms of EU **procedures**, if there is to be a common policy on agriculture, then it should be subject to the standard EU legislative process, rather than being treated as a special case - as was the case until the Lisbon Treaty. However the negotiations on the 2014-2020 CAP have confirmed that the legislative process can be very lengthy. The EU needs to learn from this experience and either begin future CAP reform negotiations earlier, or build in from the start the need for transition arrangements.

A separate issue is the role of Devolved Administrations in EU agriculture negotiations. The EU authorities should be more open to direct engagement with Devolved Administrations, to enable them to express their views on important issues directly, rather than via the member state authorities. Similarly the UK government should give a greater role to Devolved Administrations in EU agriculture business, on both policy development and representation in EU fora.

#### Plant health/Plant reproductive material

The existence of the Single Market, growth in international travel, increased trade in plant products and a changing climate mean that the level of threat to **plant health** is increasing. Scotland's high plant health status is a valuable commercial asset – for instance, for the seed potato sector – and it is essential that this is not jeopardised.

Against this background, it is useful to have EU rules that set a baseline level of plant health protection, and facilitate trade within the Single Market. But it would be wrong to rely solely on this level of defence. There is considerable variation across



the EU in terms of the pests and diseases which are present, and the effectiveness of enforcement efforts. The chain of protection is only as strong as its weakest link.

It is therefore vital that, as at present, basic EU rules can be supplemented by locally tailored, science-based rules, which are supported and applied by stakeholders, to protect high plant health status. For Scotland this is a crucial element of the EU regulatory regime.

Examples of where local plant health action has been crucial are:

- Introduction of Scottish legislation to protect the potato industry and maintain our freedom from the damaging pathogen *Dickeya solani*;
- Statutory separation measures to protect Scotland's high-grade seed potatoes from contact with non-Scottish ware crops that present a risk of cross contamination of damaging plant health pests;
- Statutory notification of Scottish ware potato crops to ensure we know the location of crops in a plant health outbreak situation and to improve our resilience.

This ability to have local rules also addresses the fact that whilst some pests and diseases are relevant for the whole of Europe, others are only of importance in certain regions. The existence of an EU framework ensures that such local rules can be used where justified, but cannot be abused for purposes of economic protectionism.

The EU Plant Health Regime is currently being renegotiated and this is an opportunity to build a stronger more resilient regime fit for the next 10-15 years.

However the EU regulatory regime for **plant reproductive material** is an area where the balance between the benefits and drawbacks of EU action has been lost over time.

It is clearly important for farmers and growers to have confidence in the seeds they purchase. But over time this benefit has become outweighed by the burdens created by an over-complex EU system that has failed to modernise over time.

EU legislation on plant reproductive material is currently being renegotiated, and the opportunity should be taken for a significant simplification.

### International trade

EU competence for international trade policy in agricultural products, under the auspices of the World Trade Organisation, is a logical consequence of the Single Market and the EU Customs Union. This logic applies to both economic aspects (tariffs, subsidies etc) and sanitary and phytosanitary aspects of the WTO's activities.

However, this puts constraints on the extent to which member states can engage directly, with third countries or with international organisations, on issues of importance to them.

If this is a concern for member states, Devolved Administrations are in an even more difficult position. If a Devolved Administration wants a pressing trade issue to be addressed, it has first to persuade the UK government to raise it with the European Commission, and then the Commission to raise it with the relevant trading partner. At both UK government and European Commission level, there will be a tendency for the Devolved priority to be diluted among a longer list of issues and priorities. Devolved Administrations' priorities are therefore subject to two levels of compromise and dilution before any action can be taken.

To address this problem, there should be **greater scope for Devolved Administrations** to have direct engagement with the European institutions, as well as, where appropriate, with third countries and international organisations.

### Forestry

The EU currently has no official competence for forestry policy, and we would not wish to see any change to that basic situation.

However other policies which are decided at EU level – such as plant health policy, and CAP Pillar 2 rules on financial support for woodland creation – are increasingly having an impact on forestry despite the lack of formal competence.

This has led to a degree of 'competence creep'. Woodland creation is highly dependent on public subsidy – and so, as a consequence, is the industry that delivers it. Bringing support for forestry into CAP Pillar 2 arguably gives the EU a greater degree of influence over forestry policy than should be the case, given the absence of any formal EU competence.

This has in the past led to negative consequences. For example, the introduction of CAP implementation and audit rules into woodland creation support schemes in Scotland led to serious disruption to the industry and delays to planting at the start of the 2008-13 Scotland Rural Development Programme.

It is important for the future that the EU respects the formal competence situation for forestry, and that any 'competence creep' is resisted.

## **Screen, Linda**

### **Q1. Should the EU have competence for agriculture and plant health?**

The individual nations should adopt /maintain their own competences for agriculture and plant health The EU should only have competences where this relates to the movement of agricultural or plant products / goods across borders

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

The EU decision on restricting use of neonicotinoids benefits UK growers and food security based on clear evidence gained across European research institutions. This

is impartial whereas the evidence currently being used by Government in the UK (in favour of use) would appear to have been influenced by the companies involved in neonicotinoid production.

**ii) disadvantages the UK national interest?**

The current EU legislation relating to seed saving places unnecessary burdens on small scale UK producers and inhibits future growth and development of emerging seed producers who might develop disease resistant seed or new varieties suited to specific climatic conditions and variations. This places us at increased food security risk.

**Q3. - Q6.** Not answered

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

I do not believe that it is appropriate for seeds sold in small packets for individual gardeners to be regulated in the same way as seeds for commercial agriculture - this is disproportionate and a gross case of over-regulation by the EU of domestic seed production. As a gardener and small-scale grower, I do not want to be limited to growing varieties of plants developed for a different type of growing. I see no good reason for this other than to pander to the protectionism and non-commercial practices of large-scale seed producers who have lobbied the Council of Ministers and European Parliament to disadvantage emerging competition, inhibit future businesses developing and control the market. This disadvantages small seed producing businesses in the UK who have specialised seed-production for UK crops grown at small scale. The homogenising of species (as would be achieved if the proposed law is passed without further changes) is not in the UK national interest especially in a time of changing climate.

**Q8. – Q9.** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Diversity of products including unusual shaped fruits and veg, local fruits etc have become less commonplace in the UK domestic markets - this affects price options and affordability

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may**

**wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

The burdens and slowness /bureaucracy of the system for claiming payments opens it up to fraud and inhibits legitimate claimants who might need the income to manage their land more responsibly.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Diversity of supply across markets - preventing industrial giants monopolising the markets and over-influencing policy.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Wherever possible decisions should be at Member State level.

The only interventions at EU level should be in connection to international businesses who are operating across regions or where the actions of large scale operators inadversely affects small scale or niche suppliers/markets.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

New EU Plant Reproductive Material law

Home gardeners have very different needs from farmers and larger scale growers. The law as it is currently drafted does not properly take account of this difference, and will result in far less choice of varieties suitable for gardeners. Furthermore it will restrict future seed development by gardeners, inhibit diversity and place future genetic variety at risk and wholly in the hands of large scale industrialists who may control markets inadversely in favour of their own large scale growers' needs rather than small scale producers.

As it stands this policy increases risk to food security in the future.

I realise there are some exceptions allowed in the law for 'niche market' varieties, but these are much too limited and do not reflect the needs of small growers and gardeners.

I do not believe that it is appropriate for seeds sold in small packets for individual gardeners to be regulated in the same way as seeds for commercial agriculture - this is disproportionate and a gross case of over-regulation of domestic seed production. As a gardener and small-scale grower, I do not want to be limited to growing varieties of plants developed for a different type of growing and see no good reason for being forced to other than to pander to the protectionism and non-commercial practices of large-scale seed producers who want to eradicate all competition, inhibit future businesses developing and control the market.

## Senior European Experts Group

### Background

The Senior European Experts group is an independent body consisting of former high-ranking British diplomats and civil servants, including several former UK ambassadors to the EU, a former Secretary-General of the European Commission and other former senior officials of the institutions of the EU. A list of members of the group appears in the Annex.

SEE has no party political affiliation. As an independent group, it makes briefing papers on contemporary European and EU topics available to a number of organisations interested in European issues, drawing on the extensive knowledge and experience of its members.

Several members of the group have developed particular expertise on agriculture policy issues, in Government, in UKREP, in the Commission, and in other parts of the Diplomatic Service.

### Overview

Successive UK Governments have promoted reforms to the Common Agricultural Policy (CAP) which have transformed the policy that existed when the UK joined the EEC. Those reforms have largely eliminated the high levels of market price support, food surpluses, market management, production-linked subsidies and trade distorting export subsidies, whilst introducing environmental management of land and resources as a key goal. Moreover the UK budget abatement, negotiated by Margaret Thatcher in 1984 in response to the budget distortions created by the CAP, has neutralised for UK taxpayers a major part of the CAP's costs. The CAP of today is therefore vastly different from the highly distorting policy of previous decades. Nevertheless, it continues to consume a significant proportion of the EU's budget and delivers poor value for money. And high import tariffs for some products continue to distort trade and underpin higher than necessary consumer prices. There is undoubtedly scope for further improvement and it is a great pity that the EU failed to make significant progress in the recent Multiannual Financial Framework (MFF) and the CAP negotiations linked to it.

### **Q1. Should the EU have competence for agriculture and plant health?**

There are two fundamental reasons why EU competence for agriculture and plant health is in the UK interest: the single market and trade.

In the case of agriculture, it is in theory feasible to contemplate Member States being free to support their farming as they think fit subject only to rigorous application of the EU's competition and state aid policies. In practice, however, all the evidence of Member States' behaviour, both before and after Union membership, suggests there would be such a wide variation in the degrees of subsidy to which agriculture would be subject that a level playing field would be impossible. The result would be either

a subsidy race between Member States determined to protect their farmers from “dumping” or a breakdown of the single market, or both. The trade distortions would not be confined to agricultural products but would potentially affect all processed food too. EU competence is therefore necessary to contain the quantity and form of farm subsidy to secure fair competition and the single market for food and agricultural products.

EU competence for agriculture is also desirable so that the Union can negotiate international trade deals effectively. Agricultural concessions from the EU have been critical to securing trade deals – whether multi-lateral such as in the Uruguay Round or bilaterally and through ACP Partnership Agreements – that have brought major economic benefits to the UK. Without the competence to make agricultural concessions, the Union would have been unable to secure such ambitious agreements.

In respect of plant health, the absence of EU competence would require the introduction of border controls between Member States in order to enforce national rules. This would be incompatible with the single market and likely be very costly to implement.

## **Q2. What evidence is there that EU approach to agriculture:**

### **i) benefits the UK national interest?**

### **ii) disadvantages the UK national interest?**

The most visible **disadvantages** of the CAP are its costs to consumers and taxpayers. These are not insignificant, though less than is sometimes believed. The annual consumer cost for the EU 27 is estimated by the OECD to be €16 billion in 2012 (compared with €75 billion in 1986-88 in a Union with fewer than half the Member States), that is approximately €32 (£28) per person on average. As regards the costs to UK taxpayers, these can only be accurately assessed taking into account the application of the UK budget abatement, as any reduction in CAP expenditure (assuming it was returned to Governments’ exchequers) would automatically reduce the size of the abatement. Any such assessment can only be approximate, but we estimate<sup>108</sup> the UK’s net budget contribution to the CAP in 2012 to have been about €1.3 billion<sup>109</sup>, i.e. about €53 (£46) per household per annum.

UK taxpayers’ contribution to UK farmers’ receipts under the CAP<sup>110</sup> are of course additional to this net figure. However, it seems likely that, under any conceivable counterfactual, the UK Government would find itself continuing to support its own

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<sup>108</sup> For methodology see

<http://www.publications.parliament.uk/pa/ld199899/ldselect/ldecom/119/11921.htm>. This indicates that the UK taxpayer contributes about 71% of the cost of marginal CAP expenditure in the UK and about 5% of such expenditure elsewhere in the EU. The UK gross contribution share is now smaller than when this note was published (because the EU is larger) but the broad methodology remains valid.

<sup>109</sup> I.e. the UK contribution to total CAP expenditure, adjusted for the abatement, less UK CAP receipts.

<sup>110</sup> Estimated at around £2.9 billion in 2012.

farmers, as do virtually all developed countries. For example it would doubtless want to continue promoting environmental benefits, such as those now financed through Pillar 2 of the CAP. And no UK Government would find it easy simply to abolish support for farmers' incomes. In particular, ending direct payments (and import restrictions) whilst their continental competitors retained theirs would put UK farmers at a clear competitive disadvantage. Such a scenario would plainly threaten the Government's primary objective for food and farming, which it has defined as: "to ensure a sustainable supply of food for the UK market and export. Supporting and developing British farming, and encouraging sustainable food production ... will ensure a secure, environmentally sustainable and healthy supply of food with improved standards of animal welfare."<sup>111</sup>.

There are less visible **disadvantages** too, largely in terms of the policy's impact on farm businesses. Production quotas persist, notably for dairy and sugar, though they are due to be abolished in 2015 and 2017 respectively. The, albeit small, residual market support instruments inhibit full market orientation. The inherent bias towards small farms in EU policy-making inhibits change and can discriminate against UK producers. The subsidy regimes inevitably bring with them regulation and bureaucracy. And marketing standards for products can inhibit innovation.

Against these downsides, the **benefits** must be recognised. Most critically, the British farming and food industries operate within the stability provided by a long term policy framework and on a (broadly) level playing field as part of a single market of over 500 million consumers. This has enabled British farming and food producers to innovate, modernise and exploit their competitive advantages within the single market and beyond. Seven out of 10 of the UK's top 10 food and drink export destinations are other EU Member States<sup>112</sup>. Consumers enjoy unprecedented choice of affordable food from Europe and beyond, and supplies are secure. The decoupling of subsidies from production has freed farmers to gear their production and marketing decisions to what the market wants, with benefits for themselves, for consumers and for the economy more widely. The increasing proportion of CAP funding directed towards purchasing public goods, notably environmental land management, brings valued wildlife and landscape benefits to the UK. And parts of the country's most beautiful landscapes – not least in Scotland, Wales, Northern Ireland and Northern England – would undoubtedly look very different if support for, for example, extensive beef and sheep production were ended.

Much of these benefits could be secured at lower cost via across the board, programmed EU-wide reductions in direct payments levels, perhaps accompanied by increases in Pillar 2 funding. Seeking to reduce the costs of the CAP further will doubtless, and rightly, continue to be a UK priority. But it is important to view this in context: the interventionist and prohibitively expensive CAP that Margaret Thatcher

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<sup>111</sup> <https://www.gov.uk/government/topics/food-and-farming>

<sup>112</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/208436/auc-2012-25jun13.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/208436/auc-2012-25jun13.pdf)

Chart 13.2

fought against in the 1980s has long been replaced by a leaner and less voracious beast which has decoupled support from production.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The primary conditions for the UK to develop a competitive food and farming sector are fair and open markets, science-based policies and the development of relevant skills amongst the available labour force. In this context, there are a number of areas where active EU involvement will be positive:

- Promoting competition and trade both within the single market and with third countries. Current international trade negotiations with e.g. the US, Japan, Mercosur and India all have potential agricultural and food competitiveness benefits;
- Rigorously policing the agricultural state aid rules to ensure UK producers are not unfairly discriminated against;
- Ensuring that agriculture and food R&D can benefit significantly from the Horizon 2020 programme;
- Ensuring the ready authorisation of genetically modified organisms for planting and use within the EU once all the necessary environmental and safety tests have been passed;
- Promoting investment in appropriate training for food and agriculture workers to ensure that their skills match the industry's needs;
- Resisting attempts to limit the freedom of movement of EU workers on whom both the farming and food industries rely.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK bio-security resulting from the free trade in plant products?**

We do not have the data to answer this question in detail. But it seems to us evident that trade in plant material, both within the EU and globally will increase, as will the risk of the spread of pests and diseases, not least for the reasons (including movement of people, climate change etc.) outlined in the Call for Evidence. It is equally evident that neither the Member States nor the Commission will be willing to reintroduce systematic controls at Member States' borders, as this would conflict with a major pillar of the single market. So the challenge is to ensure we have appropriate, risk-based and well-resourced systems that provide for rapid alert and response and are fully supported at the political level. We note that the Commission has made proposals to strengthen the Plant Health regime in this direction.

**Q5. What evidence is there that current competence over forestry policy:**

**i) Benefits the UK national interest?**



## **ii) Disadvantages the UK national interest?**

Forestry appears to us to be an area where sensible pragmatism has ruled the day. General EU rules, such as on plant health and the environment, apply to forestry where appropriate. But unlike for agriculture, there is no specific need for the EU to be granted competence over forestry in order to make the market operate effectively. So we would see no reason to bring forestry within Union competence. On the other hand, forests are an important element of our economy and environment, so it is desirable that the Member States and the Commission are ready to discuss forestry collaboratively and strategically where this is necessary, for example in the contexts of climate change or water management policies.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

If the primary justification of having a common agricultural policy is to level the subsidy playing field to enable the single market to operate in this area without distortion of competition, it is clear that the rules must be determined at Union level and applied consistently across the whole of its territory. Moreover, insofar as Union funds are being spent to achieve particular EU-wide outcomes there needs to be a common framework to ensure value for money, accountability and protection against fraud. And it is very positive that agricultural subsidies and trade are governed at the global level through the WTO, as this constrains the ability of both the EU and its trading partners (many of whom have more distorting agriculture policies than the EU, as the Call for Evidence illustrates) to misbehave.

But beyond these considerations, the subsidiarity principle should apply. For the first 25 years or so the principal mechanism of the CAP was generalised support of agricultural prices within the common market by means of intervention buying and export subsidies. With this system there was little room for discretion at the national level, since decisions involving common levels of price support, with costs financed 100% by the common budget, need to be taken centrally by the EU institutions. Initially, at least, other kinds of mechanism, partly financed by Member States and providing more scope for national competence such as 'structural policy for agriculture' were of minor importance in the CAP.

During the last 25 years there has been a decisive shift towards the use of other means of agricultural support, which distort markets less and are more related to environmental and rural policy. As a result of the development of the Single Farm Payment Scheme, most support to agriculture under the CAP is delivered by means of direct payments to individual farmers, decoupled from actual levels of production. Another important element of support is through rural development policy.

With these means of support there is now much more scope for flexibility in the national and regional application of policy measures, and to the degree that such

measures are financed by Member States, rather than from the EU budget, there is a strong argument for greater national discretion. However, general rules and parameters still need to be agreed at the European level in order to provide conditions of fair competition between producers throughout the EU, and to ensure that measures co-financed by the EU budget are administered at national level correctly and in ways that reduce the risk of fraud.

Thus it must be right that responsibility for drawing up, implementing and co-funding rural development programmes should be devolved to the Member States and – in the UK's case – on to Scotland, Wales and Northern Ireland so that they can ensure the programmes fit their particular needs. Equally, the devolution of the design of the Single Payment Scheme in Scotland, Wales and Northern Ireland seems to have been a success despite all four parts of the UK adopting different models for applying the scheme. We would also endorse the decision in the recent CAP reform to give Member States discretion to shift funds from direct payments to rural development and to cut direct payments to the bigger farms in order to fund their rural development programmes. Whilst these measures will undoubtedly lead to some divergence in direct payment levels and thus a theoretical distortion of competition, the scope for this is limited by the legislation.

In respect of plant health, there is a hierarchy of governance, reaching from the WTO's sanitary and phytosanitary agreement through the EU to the Member States. The underlying aims are to safeguard against the spread of pests and diseases whilst facilitating commerce. The arguments for devolving powers to lower levels are not convincing.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

**ii) Disadvantages the UK national interest?**

Given that the recent CAP reform was the only major piece of agricultural legislation that has been co-decided by the Council and European Parliament, it is difficult to draw any general conclusions about the balance of decision making between the two institutions. It was clear that on this occasion neither of them was a force for the kind of radical change the UK was hoping to see (nor, unusually, was the Commission). However the Common Fisheries Policy reform negotiation, where the EP proved a counterweight to the anti-reform elements in the Council, provides evidence that the introduction of co-decision can have positive results.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The EU's multilateral and bilateral free trade agreements are hugely beneficial for the UK economy, as we have explained in our response to the Call for Evidence on Trade and Investment in the second semester. In general, agriculture has formed an important part of the agreements, both in the pressure from other countries to reduce EU protection and in providing key trade-offs which enabled the EU to secure improved access to agricultural and non-agricultural markets. As regards agriculture specifically, we would identify three particular impacts:

- a) The agreements have reduced import barriers, benefiting consumers, the food industry and the economy more widely;
- b) They have opened export markets and safeguarded intellectual property rights for UK farm and food products (not least its biggest export, Scotch Whisky);
- c) WTO negotiations have prompted market-oriented CAP reform (e.g. the MacSharry cuts in support prices in 1992 and the decoupling of direct payments in 2003).

Current FTA negotiations – including with the USA, India, Japan and others – offer considerable further prospects on these fronts.

It is sometimes argued that, within the negotiations, sensitive UK sectoral interests might be sacrificed in favour of those of other Member States. That is a risk of which UK negotiators must naturally be aware and be ready to counter. In our collective experience of trade negotiations, the UK is always highly influential and invariably succeeds in securing, as a minimum, a well balanced deal amongst the Member States.

#### **Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

Given the revisions to the single Common Market Organisation in the recent CAP reform deal, we consider they need time to bed down and be given a chance to work before their impact can be properly analysed. That said, we consider that in the long run the role of the EU and national Governments in managing or supporting markets should be kept to the minimum that is consistent with dealing with possible market failures or genuine crises.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

It is self-evident that the access to a fully functioning single market in agricultural products and food and plant reproductive materials is beneficial to consumers and producers alike. This brings enhanced choice and lower prices for consumers and new markets for producers. The extent of current trade in food, feed and drink, the great bulk of which is with EU countries, is quoted in Table 1 of the Call for Evidence.

Nevertheless, it is also the case that some of the standards that underpin EU agricultural markets are unduly restrictive or even unnecessary. This includes some marketing standards for fruit and vegetables (which could easily be left to market players to determine) and policy on GMOs which inhibits consumer choice and innovation. The recent (abortive) attempt by the Commission to ban re-usable olive oil bottles in restaurants was a disappointing reversion to a type of policy the Commission appeared to have given up some time ago.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

We must leave the provision of detailed quantitative evidence to those who are active in the sector, though we note that the Commission's own Joint Research Centre reported in September 2013 that "If biofuels received no EU policy support, the price of food stuffs such as vegetable oil would be 50% lower in Europe by 2020 than at present – and 15% lower elsewhere in the world". We would emphasise that biofuels policy needs to be informed both by climate change mitigation goals and by food security considerations. Ideally, this must mean that biofuels are not normally sourced from crops grown on land that would otherwise be used for food production, but are instead manufactured from other types of material. EU policy in this area is still evolving, but it clearly has not currently got the balance right. This is a complex area where the science is not complete and the technology still developing, so a cautionary approach is desirable.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

It is clearly in UK taxpayers' interest both that the rules governing the spending of EU funds militate against fraud and irregularity, and that the administrations in the UK apply these rules so as to minimise disallowance. The challenge for Government is to apply these rules in ways that minimise the administrative burden on farmers whilst safeguarding the taxpayer interest. Defra's commitment<sup>113</sup>, following the recent CAP reforms, to work closely with practitioners in designing the implementation is welcome.

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<sup>113</sup> Defra status report on Direct Payments, August 2013

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

British farming, as in the rest of the EU, faces a period of challenge best highlighted by the Government's 2011 Foresight report: The Future of Food and Farming which stated:

*The needs of a growing world population will need to be satisfied as critical resources such as water, energy and land become increasingly scarce. The food system must become sustainable, whilst adapting to climate change and substantially contributing to climate change mitigation. There is also a need to redouble efforts to address hunger, which continues to affect so many. Deciding how to balance the competing pressures and demands on the global food system is a major task facing policy makers.*

Thus, British agriculture needs to increase its competitiveness, efficiency and output, whilst adapting to shifts in the patterns of weather and climate, rising resource costs (e.g. oil) and disease risks and the continuing obligation to minimise pollution and conserve biodiversity and landscape. There will be a continuing challenge for Government to ensure the EU's policy framework, as well as its own, encourages the achievement of these goals.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

There is a role for all levels of government in addressing these challenges and opportunities, in accordance with the principle of subsidiarity. Externally, the EU, working with its trading partners and the WTO, needs to press ahead with trade liberalising measures, whilst internally the challenge for the EU is to create a policy framework that will foster increased efficiency, both by reducing interference in markets and encouraging the uptake of relevant technology once it is shown to be safe. The UK and devolved administrations, and their advisory agencies, are best placed to pursue policies to "balance the competing pressures" within their territories.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Our primary general points are made in the overview at the beginning of this paper.

**Annex**

**Members of the Senior European Experts group**

Sir Michael Arthur

Director-General Europe, FCO, 2001-3; British High Commissioner to India 2003-07; British Ambassador to Germany 2007-10.

Graham Avery

Director, European Commission, 1987–2006.

Sir Colin Budd

Chairman of the Joint Intelligence Committee 1996/97. British Ambassador to the Netherlands, 2001-05.

Sir Michael Butler

British Permanent Representative to the European Communities, 1979-85. Sir Michael was Chairman of the Senior Experts at the time of the writing of this submission but sadly died on Christmas Eve 2013.

Lord Butler of Brockwell

Secretary to the Cabinet and Head of the Home Civil Service, 1988-98.

John Cooke

Member of the UK Permanent Representation to the EC 1969-73 and 1976-77. Under-Secretary, International Trade Policy Division, DTI, 1992-96. Chairman, OECD Trade Committee 1996-97

Sir Brian Crowe

Director-General (External & Politico-Military Affairs) Council of the European Union, 1994-2002. Previously Deputy Under-Secretary for Economic Affairs, FCO.

Sir David Elliott

UK Deputy Permanent Representative to the EU 1982-91. Director-General (Internal Market), Council of the European Union, 1991-95.

Lord Hannay

UK Permanent Representative to the European Communities 1985-90 and to the United Nations, 1990-95.

Lord Jay of Ewelme

Permanent Under-Secretary of State, Foreign & Commonwealth Office, 2002-06.

Lord Kerr of Kinlochard

UK Permanent Representative to EU 1990-1995; Permanent Under-Secretary of State, Foreign & Commonwealth Office, 1997-2002.

Andy Lebrecht

UK Deputy Permanent Representative to the EU, 2008 – 2012.

Sir Emyr Jones Parry

UK Permanent Representative to NATO, 2001-03 and to the UN, New York 2003-07. Political Director and previously EU Under-Secretary at FCO. Now President of Aberystwyth University.

Sir Nigel Sheinwald

UK Permanent Representative to EU 2000-03. Prime Minister's Foreign Policy & Defence Adviser, 2003-07. British Ambassador to the United States, 2007-12.

Sir Stephen Wall

UK Permanent Representative to EU 1995-2000. Head, European Secretariat, Cabinet Office, 2000-04.

Michael Welsh

Member of the European Parliament for Central Lancashire, 1979-94.

Lord Williamson of Horton

Deputy Director-General (Agriculture) European Commission 1977-83. Cabinet Office 1983-87. Secretary-General, European Commission, 1987-97.

### **Balance of Competences – Agriculture**

Following the submission of the Senior European Experts Group's evidence to the Balance of Competences review on Agriculture, we met officials from FCO, Cabinet Office and Defra on 23 January at the FCO. I am writing to put on record the main answers that the Senior European Experts provided in response to questions from Defra. These points are of course supplementary to the written evidence provided.

#### **Why and how is agriculture different to other policy areas? Why is there a need for direct payments and why must funding be arranged at a European level?**

Politically, agriculture is different. In the 1950s before the EEC was founded, every country including the UK was subsidising its agriculture and most OECD countries continue to subsidise agriculture even today. This is different to any other sector. The choice is therefore between an EU policy which confines the amount of subsidies, or a national subsidy race. All the evidence of countries' behaviour therefore suggests that, although state aid rules would be in place without the Common Agricultural Policy (CAP), they would not prevent competitive subsidisation, which could indeed result in higher subsidies overall.

The benefit of EU agricultural policy is evident when it is compared with non-EU countries in Europe, such as Switzerland and Norway, which have national policies of agricultural support which are more costly than the CAP.

Agriculture is also different because the unpredictable nature of farming makes the sector more volatile (for example, because of weather and disease).

Indeed, the response of various British governments to crises in the sector provides evidence of the political importance of agriculture to the UK and the public's willingness to underpin its survival. Both the 2001 foot and mouth outbreak under a Labour Government and the BSE crisis under a Conservative Government

demonstrated the willingness of successive Governments to spend billions of pounds on measures whose main purpose was the protection of the livestock industry.

### **Is there any need for EU competence for rural development funding?**

Agriculture provides public goods, such as preserving and enhancing the environment, which would not be provided for through the market. There is a need for a system of government agricultural support to incentivise farmers and compensate them for the cost of providing these public goods.

The UK Government has long argued that Pillar 1 is not a good use of public money. The SEE's view was that Pillar 2 expenditure, while necessary for the public good, did not necessarily need to be EU competence.

### **What would UK trade in agriculture and food be like without EU membership?**

If barriers to trade had not been systematically removed over the past 50 years, it is likely that UK trade levels would be significantly reduced and food prices would be much higher. The figures demonstrating the increase in trade in food and agricultural goods over the past 50 years are staggering and should be examined in the final Agriculture Report.

### **What do we mean by CAP reform?**

CAP reform is a process not a single event, and it has been remarkably successful over the years for the UK. The shifts away from market support and coupled payments have been revolutionary and the reduced cost to consumers is a phenomenal achievement, having decreased from £75 to £16 billion since 1988 (whilst the number of Member States more than doubled).

There is a danger that the UK Government is overly cynical about the CAP. It has been demonised in the past and there remains a tendency to demonise it now, despite positive reforms and dramatically reduced costs in recent decades. Moreover, the cost of the CAP cannot be properly examined without an analysis of the UK's abatement, especially as without the CAP there would be no abatement. This must be considered in the final Agriculture Report.

### **You also asked us subsequently to elaborate on what we consider should be the UK's ultimate goal for UK agricultural policy in the EU.**

Our argumentation is in our main evidence but we will here be more explicit about what we see as a realistic way forward, based on the Government's declared agricultural policy concerns regarding sustainable food supplies, UK farming competitiveness, environmental sustainability and climate change mitigation, as well as its aim of reducing budgetary costs. The agriculture and food industry is also important for UK exports and the need for growth as the Government seeks to diversify the economy away from over-reliance on financial services.

Given UK food and farming's extensive interconnections with the EU Single market, we consider these aims can only be met through continued participation in the Single



market, and therefore the EU. (The alternative of participating through EEA-type membership, which has been suggested by some, would deliver worse outcomes. The UK would still need to subsidise its own farmers to enable them to stay competitive with continental ones and, whilst it would save the costs of subsidising EU farmers it would also lose the budget abatement and would have to pay the (large) costs of EEA membership. And its influence over the future development of the CAP would disappear. Given the balance of forces in the EU, this would almost certainly lead to an increase in protectionist policies that would inevitably impact on UK food and farming. In addition, the EEA is not a Customs Union so the requirement for food exports to go through customs warehouses etc. would make it harder for the growing number of (for example) artisan food producers to export their products to the EU).

In this context, we consider the main goal for the UK's EU agricultural policy up to and including the 2020 Multiannual Financial Framework (MFF) negotiations should be to intensify the reform process it has (mostly successfully) promoted since 1992, but refocus reforms onto today's priorities. This would mean building a coalition of countries and stakeholders in favour of:

- an EU legal and financial framework that is entirely neutral in its impact on production, markets and trade, and thereby supportive of entrepreneurship and innovation;
- focusing financial support on measures designed to improve competitiveness and deliver public goods, whilst phasing down direct payments gradually but very significantly. The principle of subsidiarity should be used to the full in defining "public goods" so that the UK and its regions could gain maximum benefit in relation to their own sustainability and other goals;
- developing new policy instruments to encourage farmers to guard against risks, including those arising from the impact of climate change;
- promoting innovation through increased R&D collaboration and through a science based approach to new products and techniques, including biotechnology;
- increasing the EU market's openness to international trade through inclusion of ambitious goals for agriculture in bilateral trade agreements.

Constructing such a coalition for change is feasible. But it will require a strategic approach (not focusing solely on the budget) and sustained intellectual and political leadership and commitment from the UK Government, beginning soon. Although the next major CAP reform will not be delivered until towards the end of the current MFF period, the new Commission appointed later this year will begin preparing its thinking during the course of 2015.

## Senner, Denise

### **Q1. Should the EU have competence for agriculture and plant health?**

Gardeners / allotment gardeners are in a different category to agricultural growers and the laws/rules regarding seeds should not apply to them, but be governed by an independent British body. The diversity and heirloom protection is very important in the rich history of British gardening and needs to be preserved.

**Q2. – Q15.** Not Answered

## Shobiye, Stephanie

### **Q1. Should the EU have competence for agriculture and plant health?**

Absolutely not.

I am very worried that future food security will be placed at risk.

This legislation should only apply to commercial growers. It should not be applied to home gardeners, allotment holders or worse still University research departments or small seed coops. This is because the growing needs of these groups are different to those of commercial farmers, eg when growing for an individual family a staggered food crop is best, when growing for a supermarket buyer you may want the crop to mature all at the same time.

In addition we will lose the genetic diversity of many food crops, which should there be a major outbreak of disease, or further climate changes may in the end, cause some crops to become extinct. We have no way of predicting the future.

This also risks many jobs for small seed producers at a time when the EU wide economy can least afford it and our governing bodies should be supporting methods that create local jobs on a micro scale and also alleviate food poverty (home gardeners). To eliminate an entire market segment in that of the home grower is short sighted to say the very least.

**Q2. – Q8.** Not Answered

### **Q9. Considering the single Common Market Organisation:**

#### **i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Seed laws.

This does not meet local or national needs. In addition by legislating against the needs of the following market segments the EU actively prevents economic prosperity at a time when it is most needed.

1. Home gardeners

2. Conservation, and heritage markets
3. Genetic research to ensure future food security in the face of increasing climate change, and to offset the risk of major blights and diseases wiping out a major food crop.
4. This reduces flexibility and does not support national producers. It will give a major competitive advantage to the US big corporate players at the expense of EU member states over the long term."

**Q9.ii) – Q15** Not Answered

## Skea Organics

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes - harmonised standards are required in order to facilitate free trade. I export to Germany and Ireland and this trade is almost as easy as UK trade.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

It is important that Producers in the whole EU operate under the same regime. This facilitates free trade.

#### **ii) disadvantages the UK national interest? Not answered**

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The cost of the CAP is probably more than is necessary. Taxpayers do not get value for money. The money would be better spent elsewhere.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

I'm sure UK government would do much less to champion a competitive food and farming sector if they were not encouraged or required to by EU action.

The UK government gets much less pressure from our industry than governments in other states receive. Hence the UK food industry would get less attention were it not for the pressure exerted in other states.

### **Q5. What evidence is there that the current competence over forestry policy:**

#### **i) benefits the UK national interest? I don't know about forestry.**

#### **ii) disadvantages the UK national interest? I don't know about forestry.**

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in**

**addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Increased governance at a UK level would be beneficial in addition to current EU governance.

**Q7.** Not answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The EU can mostly exert greater influence on non-EU Countries than the UK unilaterally. The EU however, must be mindful of the biosecurity interests of non-EU members. The EU must not run rough shod over other countries biosecurity concerns. For example Russia should be encouraged to maintain strong biosecurity for seed potatoes.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?** Fairly / very successful.

**ii) How could current arrangements be improved?** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

There is now a very fluid trade in seed and ware potatoes within Europe. This gives consumers lower prices in years of local shortage. This helps reduce costs of production for producers.

**Q11.** Not answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.** No response

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Turkey joining the EU would be a huge opportunity for exports of seed potatoes from the UK. Current administration of exports to Turkey are difficult.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Facilitation of free trade is best done at EU level.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

The media is full of nonsensical rubbish about EU regulation. Most of these stories are either rubbish; or about regulations that the UK would implement unilaterally if they were not EU regulation; or the EU regulations are created due to UK influence.

If the UK were outside the EU then these regulations would be created without our influence and so would be less sympathetic to our needs, and we would most likely have to implement them anyway to access the single market.

## Skinner, Melanie

**Q1. Should the EU have competence for agriculture and plant health?**

I believe that the UK should stay in control of its own plant and vegetable seeds. The UK should protect its gardeners and allotments, and allow small scale production of vegetable to continue. By putting what is essentially a big economic barrier to those who want buy/sell certain varieties, we risk losing produce like purple carrots.

**Q2. – Q15.** Not Answered

## Smith, Dr. Fiona

Faculty of Laws, UCL

### 1. UK National Interest

The EU has exclusive competence over all aspects of external trade policy, including agriculture under Article 3(1) TEU as noted in the *Call for Evidence*. Yet this exclusive competence does not necessarily operate against the UK national interest in the context of the World Trade Organization (WTO). The UK and the EU are members of the WTO and must abide by its rules.<sup>114</sup> The UK's interest in a "more market-orientated" Common Agricultural Policy<sup>115</sup> is echoed in paragraph 2 of the WTO Agreement on Agriculture and the Agreement's rules place strict limits on the use of measures (i.e. tariffs and subsidies) that protect inefficient domestic agricultural sectors from external competition, with a view to "correcting and preventing restrictions and distortions in world agricultural markets."<sup>116</sup> Changes to the EU Common Agricultural Policy (CAP) like, for example, tying direct payments to 'Greening' requirements, must conform to the 'fundamental requirement' in Annex 2:1 Agreement on Agriculture that such domestic subsidies should have "no or at

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<sup>114</sup> WTO Marrakesh Agreement Establishing the WTO, Article XIV:1.

<sup>115</sup> *Call for Evidence: Agriculture*, para 43.

<sup>116</sup> Para 3, Preamble to the Agreement on Agriculture.

most minimal effect on production.” In addition, such payments must meet any relevant specific requirements listed in Annex 2:2-13. Of these specific provisions, Annex 2.5 (direct payments to producers), 2.6 (decoupled income support) and 2.12 (payments to support environmental programmes) may provide the greatest constraints on non-market-orientated measures in any CAP reform, whilst giving sufficient flexibility to enable Members to pursue pro-environmental policies aimed at climate change domestically.

If the ‘July 2008 Package’ negotiated as part of the WTO Doha Round of multilateral trade talks is ever accepted by WTO Members, this will mean a further reduction in bound tariffs and subsidies as the package takes a tiered approach to their reduction, with the EU notably experiencing the deepest reductions in contrast to the other WTO members.<sup>117</sup>

Whilst the existing WTO rules would enable the EU to impose import restrictions relating to the import of plants and plant reproductive material in line with the direction of UK policy interests, any restrictions must comply with the WTO Agreement on Sanitary and Phytosanitary Measures (SPS Agreement) meaning that they cannot be imposed in the absence of an appropriate risk assessment based on scientific evidence that indicates the measures are necessary to alleviate the harm. Imposing labeling requirements, or allowing importation based on specific animal welfare or environmental standards, for example, equally must comply with the Technical Barriers to Trade Agreement (TBT Agreement).<sup>118</sup> Notably, in the 2013 *EU-Seal* case, the WTO panel recognized that imposing import restrictions aimed at protecting seal welfare on moral grounds was a legitimate policy objective; but allowing exceptions to those import restrictions that operated so as to cause discrimination between ‘like’ domestic and foreign products violated Article 2.1 TBT Agreement as the distinction between the two was not “based on a legitimate regulatory distinction.”<sup>119</sup> So, for the WTO, there is a crucial distinction between the policy objective and the measure used to achieve that objective: the WTO rules generally impact on the measure not the policy.

## **2. Subsidiarity and Domestic Agricultural Policy**

If the UK gains autonomy over its domestic agricultural policy, the degree of that autonomy may not be as extensive as anticipated. Three challenges may be identified.

First, under Article 3(1) TEU, the EU has exclusive competence over the EU’s external trade policy, including international agricultural trade. The EU negotiated

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<sup>117</sup> WTO, *Revised Draft Modalities for Agriculture*, TN/AG/W/4/Rev.4, 10 July 2008, eg paras I:A (1)(c); 1:A(3)(c) & 1:A(4) & I: B(13) & (14) for domestic support (note that further product-specific limits re also introduced, para 1:C.); & para II:A (61) for tiered reductions on tariffs.

<sup>118</sup> The TBT Agreement impacts on “technical standards” addressed in Article 2 TBT and “standards” in Article 4. The overarching objective is that neither technical regulations nor standards should not be “unnecessary restrictions on international trade.”

<sup>119</sup> *EU-Measures Prohibiting the Importation and Marketing of Seal Products*, WT/DS400 & DS 401/R, 25 November 2013, violation of Articles 2.1

clearly defined limits on the use of tariffs, domestic and export subsidies on behalf of all its member States as required by the WTO Agreement on Agriculture. Those commitments are listed in a single EU schedule. Under Articles 3 and 4 Agreement on Agriculture, the scheduled commitments are legally binding and WTO members are not permitted to provide subsidies or tariffs otherwise than in conformity with those commitments. Providing tariffs/subsidies in excess of bound limits is a breach of WTO rules and may result in a dispute before a WTO panel. Any dispute is brought by the EU legal team currently, even though the violation may be that of the individual Member State, rather than the EU per se.<sup>120</sup>

Difficult questions arise as to what ceilings on tariff and subsidy use would apply to the UK if it obtains full autonomy over its domestic agricultural policy. This is because the UK remains an EU member and the UK's tariff and subsidy use could not be such that it led the EU to exceed the overall limits in its schedule. Re-organisation of the internal allocation of tariffs and subsidy commitments between EU members occurring as a consequence of the UK's autonomy over its agricultural policy may require renegotiation if other WTO members believe this internal change substantially undermines the original value of the concessions negotiated by the EU.<sup>121</sup> Arguably, this would be a renegotiation of a *trade* concession, and as such, the EU would still retain exclusive competence over the negotiation, even though this would involve the UK's domestic agricultural policy. Any changes to the schedule without negotiation, may be regarded as a violation of the WTO rules.

Second, it should be noted that although some domestic subsidies eligible for exemption under the Blue and Green Boxes are not subject to limits which may provide policy flexibility for the UK, the July 2008 Doha Round packages did propose overall quantitative product-specific limits on the Blue Box. And, some members proposed limits on the Green Box, although this suggestion did not appear in the final Draft Modalities in the July 2008 package.<sup>122</sup> The Green Box may protect any payments made by the UK to its farmers designed to promote animal welfare, environmental protection, or food security therefore. But any payments to UK farmers must still meet the 'fundamental requirement' in Annex 2.1 and the payment-specific provisions in Annex 2.2-13 Agreement on Agriculture. On a wider view, difficult challenges may arise if the EU's 2013 CAP reforms to direct payments are found to be not fully compliant with the WTO rules, particularly those of the Green Box. If the parties to a WTO dispute cannot agree on a satisfactory settlement nor adequate compensation, then the successful WTO Member can apply for suspension of any trade concessions agreed under the WTO covered agreements against the EU.<sup>123</sup> Even though the UK may have autonomy over its domestic

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<sup>120</sup> Note that the UK has been the 'defendant' in important cases brought against the EU, eg, *EC & Certain Member States-Large Civil Aircraft* (US Complaint) (part of the Boeing-Airbus dispute), WT/DS316/R, 30 June 2010 (report of the panel); WT/DS316/AB/R, 18 May 2011.

<sup>121</sup> Changes to schedules can be notified to the Committee on Agriculture and discussed among members: Article 18:1 Agreement on Agriculture.

<sup>122</sup> July 2008 Package, paras 38-47 & Annex A.

<sup>123</sup> Article 22.2 WTO Dispute Settlement Understanding.

agriculture sector but not its trade policy, the 'winning' WTO Member may suspend concessions that directly impact on UK agriculture even though the 'harm' did not originate in the UK.<sup>124</sup>

To the extent that the UK pursues its own animal welfare or environmental programmes in the context of agriculture, such measures must still comply with the SPS and TBT Agreements, as well as the general provisions on trade in goods, the GATT. UK policy on transfer of agricultural technology must comply with the GATT and the Agreement on Trade-Related Intellectual Property Rights (TRIPS) to the extent that it is relevant.

Third, despite some limited agreement at the Bali Ministerial Meeting in December 2013, international agricultural trade negotiations remain on-going. How the UK will leverage an outcome that is favourable to its domestic agriculture sector presents challenges, not least because the EU retains competence over external trade policy. The direction of travel in the WTO on agriculture at the current time is a move towards greater policy flexibilities for food security programmes for developing and least-developed countries and targeted domestic support with a pro-development agenda.<sup>125</sup> Tariff reductions do remain a live issue, but policy flexibilities on pro-development grounds are increasingly informing the agenda. A prohibition on export subsidies—a clear position after the 2005 Hong Kong Ministerial Meeting—has now been replaced by a general exhortation to monitor the position annually with a view to reconsidering the issue in another two years.<sup>126</sup> Given the dominance of the BRICS and complex negotiating alliances on various issues in international agricultural trade, the UK may have difficulties determining what the best alliances are for it to maximize its interests.<sup>127</sup>

### **3. Subsidiarity and International Agricultural Trade Policy**

Although the UK is a founding member of the WTO under Article XI Marrakesh Agreement Establishing the WTO and, as such, is regarded as a WTO Member in its own right, problems arise if the UK takes over competence from the EU of its agricultural *trade* policy in addition to its domestic agricultural policy. Notably, the UK may be required to renegotiate tariff, domestic and export subsidy commitments on its own behalf for the purposes of the WTO Agreement on Agriculture.<sup>128</sup> Whilst this issue may be straightforward, more complex questions arise if Scotland attains full independence. England and Wales (and Scotland) may each be required to accede separately to the WTO in this case. The accession process involves complex negotiations between the new states and all (interested) WTO members on all aspects of the new states' trade policies. Once agreement has been reached, this is contained in a Protocol of Accession and schedules that are legally binding on the

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<sup>124</sup> *EC-Bananas-Recourse by the United States to Article 22.2 DSU*, WT/DS27/43, 14 January 1999, 3.

<sup>125</sup> WTO, *Public Stockholding for Food Security Purposes*, WT/MIN(13)/38, WT/L/913, 11 December 2013.

<sup>126</sup> WTO, *Export Competition*, WT/MIN(13)/40, WT/L/915, 11 December 2013, para 13.

<sup>127</sup> The list of negotiating groupings: [http://www.wto.org/english/tratop\\_e/agric\\_e/negoti\\_groups\\_e.htm](http://www.wto.org/english/tratop_e/agric_e/negoti_groups_e.htm)

<sup>128</sup> Articles 3 and 4 Agreement on Agriculture.



new states. It should be noted that it is not uncommon for a Protocol of Accession to contain additional trade concessions for the acceding states as the 'price' of WTO membership: for example, China agreed to a complete prohibition on export subsidies on agricultural products on its accession, even though this is not required by the WTO Agreement on Agriculture itself.<sup>129</sup> Violation of these so-called 'WTO+/GATT+' commitments can form the basis of a dispute before a WTO panel.<sup>130</sup>

On a wider point, it is worth noting that autonomy over international agricultural trade policy may mean the UK is liable for the full costs of bringing or defending a dispute at the WTO. These costs are not inconsiderable. For example, the *Boeing-Airbus* case, in which the UK was a co-defendant, cost up to \$20 million as outside legal advice was needed.

## Smith, Lisa

### **Q1. Should the EU have competence for agriculture and plant health?**

It may be appropriate for EU to control commercial plant propagation which is driven by profit seeking businesses. It is not appropriate for EU to control home gardening, allotment produce or any small scale locally adapted plant. The genetic variability that commercial farming and agribusiness profits are built on is kept viable by the continued regular use of locally adapted cultivars by small scale growers and should be positively encouraged, not heavily legislated.

**Q2. – Q14.** Not Answered

### **Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Historically agricultural innovation has always been in the hands of those whose lives are most closely tied to the land. Restricting this ability will harm our ability to evolve agricultural systems in a changing environment. It might be more appropriate for agribusiness to fund schemes and micro businesses that maintain and improve plant genetic diversity, so as to protect their future interests. I write as a graduate of Long Ashton Research Station Crop Protection MSc and agricultural cropping systems researcher.

## Smith, Naomi

### **Q1. Should the EU have competence for agriculture and plant health?**

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<sup>129</sup> WTO, *Accession of the People's Republic of China*, WT/L/432, 23 November 2011, para 12(1).

<sup>130</sup> E.g. China's national treatment obligations under Article III GATT were interpreted in the light of the terms of their Accession Protocol: *China-Measures Affecting Imports of Automobiles*, WT/DS339,340 & 341/AB/R, 15 December 2008.

Seeds for home-garden and allotment use should be governed by UK laws. The EU regulations that are designed for large-scale agriculture and crop production should not apply.

**Q2. – Q15.** Not Answered

## Soil Association

### Introduction

This response is made on behalf of the Soil Association and produced by its policy department. The Soil Association is the main organisation for organic food and farming in the UK, and is a membership charity with over 20,000 members. The Soil Association also owns an accredited organic certification company with around 4,000 licensees.

We would be happy to discuss or send further information regarding the issues outlined below if required.

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes, we think that overall it is useful that the EU has competence for agriculture and plant health, but that in certain circumstances there is an argument for member states having control over regulations for agriculture and plant health. For example for issues which are only related to the individual member state. We think that the UK should play a strong role in negotiations deciding on changes to policy relating to agriculture and plant health.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

With regard to the current CAP, the EU priorities, which benefit the UK national interest, are:

- Viable food production
- Sustainable management of natural resources and climate action
- Territorial balance and diversity of rural areas
- Knowledge transfer and innovation in agriculture, forestry, and rural areas
- Promoting social inclusion, poverty reduction and economic development in rural areas.
- Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests.
- Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture
- Restoring, preserving and enhancing ecosystems related to agriculture and forestry.

-Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors.

These all sound excellent goals for the UK and can provide huge benefits for the UK national interest.

## **ii) disadvantages the UK national interest?**

We question why there are no advantageous factors that might be considered listed under (i)?

*When answering this question you may wish to consider factors such as:*

- the cost of the Common Agricultural Policy

We are disappointed that there is still a strong balance in favour of direct payments for farmers. In order to benefit the national interest, payments should only be made for actions which benefit society and the environment. However, this is happening because of Member States, and the Commission's policy is far more enlightened – so some MS, not the EU, are responsible for this disadvantage.

Public goods like environment, wildlife, health and climate do not have an adequate price in the market, so their provision depends on state intervention. Public payments can help tackle this market failure, at least in the short term.

### **- the EU's priorities for agriculture (for example in terms of market orientation) and the extent to which these align with UK priorities.**

Only a small share of the 53 billion euro CAP budget is currently targeted at clear policy objectives. CAP should help achieve the two crucial policy goals identified in the UK Cabinet Office's 2008 report: dramatically reduced GHG emissions and a healthier diet (meaning more seasonal fruit and vegetables, less highly processed food and less meat overall, with proportionately more grass-fed dairy and red meat).

The policy does not currently sufficiently encourage farmers to shift towards genuinely sustainable food production without reliance on fossil fuels, pesticides, imported animal feed and phosphorus, or to adopt land management practice that meet the real challenges of the future: climate change, improving water resources, recovering biodiversity and guaranteeing long-term capacity for healthy, secure food production.

Current direct payments fail to support farmers or land managers who specifically require financial help, or those who are delivering most for society by providing environmental goods and services.

Reform is needed to bring the CAP in line with the Budget Heading under which it falls: "Preservation and management of natural resources.

While the EU single market may have had various advantages for the UK, major disadvantages have been highlighted by the horsemeat scandal of 2013. The complex and international nature of our food supply contributes to the difficulties in assurance and traceability that underlie this scandal. These difficulties are not only

relevant to food composition and safety. They also cast doubt on assurances about the welfare of the animals yielding products in the UK food supply, a matter of serious concern to UK consumers. However, safety and traceability in the UK would be worse without EU regulation.

1. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.

More EU action.

**Q3. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

All three depending on issue.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

It is an important and positive step that the EU parliament is now involved in CAP reform decisions.

**ii) disadvantages the UK national interest?** Not Answered

**Q8.** Not Answered

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Moderately successful, with the major problem being the UK Government's failure adequately to represent the more pro-farmer policies of the Scottish and Welsh governments, and the failure fully to adopt the more progressive elements of EU farm policy.

**ii) How could they be improved?** Not Answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

It benefits – this is self-evident given global nature of markets, and need to adopt common standards.

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

Without EU rules the position of UK farmers would be immeasurably worse, and intelligent objectives for the sector would be harder to meet.

Only a small share of the 53 billion euro CAP budget is currently targeted at clear policy objectives. CAP should help achieve the two crucial policy goals identified in the UK Cabinet Office's 2008 report: dramatically reduced GHG emissions and a healthier diet (meaning more seasonal fruit and vegetables, less highly processed food and less meat overall, with proportionately more grass-fed dairy and red meat).

The policy does not currently sufficiently encourage farmers to shift towards genuinely sustainable food production without reliance on fossil fuels, pesticides, imported animal feed and phosphorus, or to adopt land management practice that meet the real challenges of the future: climate change, improving water resources, recovering biodiversity and guaranteeing long-term capacity for healthy, secure food production.

Current direct payments fail to support farmers or land managers who specifically require financial help, or those who are delivering most for society by providing environmental goods and services.

Reform is needed to bring the CAP in line with the Budget Heading under which it falls: "Preservation and management of natural resources".

**Q13. – Q15.** Not Answered

## **South Lincolnshire Garden Society**

**Q1. Should the EU have competence for agriculture and plant health?**

Should the EU have competence for agriculture and plant health?

EU regulations should apply to large-scale farming. Seeds and plants intended for garden use, such as vegetables grown by amateur gardeners and ornamental plants grown by specialist nurseries, should be controlled by UK laws, not by sweeping rules appropriate to agribusinesses that ignore the very different - but equally valid - requirements of smaller-scale production.

The Royal Horticultural Society, Garden Organic and other horticultural and scientific bodies have called for changes to be made to the proposed regulations. Some concessions have been made but they do not yet go far enough - or are being watered down as the law progresses through the system. Proposed exemptions (for

businesses employing only a few people, or for non-commercial operations selling locally) will help a number of individuals and very small nurseries, but will not help larger enterprises that maintain stocks of scarce, specialist plant material or those that breed or distribute seeds that are only ever used on a domestic scale.

**Q2. – Q4.** Not answered

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

**The free market in plants has undoubtedly** introduced several virulent pests and diseases to the UK in recent years, Chalara fraxinea (ash dieback) being only the most high-profile recent example. The UK in particular could and should benefit from its natural separation by sea from mainland Europe to protect itself from such risks, even when the battle against them may already have been lost on the Continent.

**Q6. – Q15.** Not Answered

## **Stacey, Amanda**

**Q1. Should the EU have competence for agriculture and plant health?** No

**Q2. – Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I am sorry if I have not filled in this form correctly, I am only doing this because I wish to state my alarm at the prospect of impending mono culture. I am not a farmer; I am just a simple peasant of England that grows my own vegetables on an allotment and in the garden of my council house. I much prefer to produce Heritage and Heirloom varieties, from which I save the seed for next year. Please be my voice in the EU decisions and leave the amateur home growers alone, a lot of us consider ourselves to be guardians of the food chain.

## **Steel, Catherine**

**Q1. Should the EU have competence for agriculture and plant health?**

It should not have competence over Plant Reproductive Material used by home gardeners if - as its current legislative intentions indicate - it wishes to restrict their sale using mechanisms appropriate only to seeds used in agriculture. Home gardeners (I write as one) need varieties different from those used in commercial agriculture, and the regulation of material we use does not EU-level competence.

**Q2. - Q15.** Not Answered

## Sustainable Bungay

### Q1. Should the EU have competence for agriculture and plant health?

I feel the EU should not make decisions about Plant Reproductive Material (i.e. seeds and plants) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a massive industry with totally different needs from those of the gardens and allotments of individual citizens, or even small community groups, which in no way require strict EU-level regulation.

It is entirely inappropriate to have a law which conceptually lumps together home and market gardening with the seed supply for industrial agriculture.

From DEFRA on this point: "In recent years simpler requirements have been agreed for conservation varieties and varieties with no intrinsic value for commercial crop production e.g. varieties intended for gardeners.

In order to keep these 'simpler requirements', I think it imperative that Seed Regulation for home gardeners be brought back into UK control.

**Q2. – Q15.** Not Answered

## Sutton, Rebecca

### Q1. Should the EU have competence for agriculture and plant health?

EU regulations should only apply to large scale agriculture.

The EU should not have competence to control what seeds ordinary citizens can grow in their gardens and allotments. Varieties of seeds suitable for large scale agriculture are not suitable for small scale use and the costs involved in getting a seed approved are prohibitive meaning many amateur crops may be lost if the EU is permitted to regulate seeds for non-agricultural purposes.

**Q2. – Q15.** Not Answered

## Swinbank, Prof. Alan

### ***“Some Reflections on: Subsidiarity and EU competence for agriculture***

#### **University of Reading**

Background paper for the Academic Round Table: *Review of the Balance of Competences for Agriculture* Defra, London, 10 January 2014

The Foreign Secretary launched the Balance of Competencies Review in July 2012. He explained that: 'The review will be an audit of what the EU does and how it affects us in the United Kingdom. It will look at where competence lies, how the EU's

competences, whether exclusive, shared or supporting, are used and what that means for our national interest. ... [It] will provide a constructive and serious British contribution to the public debate across Europe about how the EU can be reformed, modernised and improved' (Hague, 2012, Column 468). He also said (Column 470): 'It is not a consultation about disengaging or withdrawing from the EU. The coalition Government's policy on Europe has not changed. We remain committed to our membership of the EU and to a strong and stable Europe.'

Over two years (split into four semesters) 32 reports are under preparation.<sup>131</sup> This paper addresses a 3<sup>rd</sup> Semester topic, *Agriculture*, principally the Common Agricultural Policy (CAP). The Department for Environment, Food and Rural Affairs published its call for evidence on the Agriculture Review (covering: the CAP; forestry; plant health and plant reproductive materials; and international trade in agricultural commodities) on 21 October 2013 (Defra, 2013a) and will report in summer 2014. Animal health and welfare were the subject of a Semester 1 report (HM Government, 2013); and the EU Budget is the subject of a quite separate Semester 3 report (HM Treasury, 2013).<sup>132</sup>

The paper proceeds as follows. First, for the sake of clarity, it reiterates what the paper is *not* about. Second, it attempts to identify a counterfactual by establishing what membership of the EU means for agriculture policy. Third, it introduces the *fiscal federalism* literature. Fourth it adopts a three-point classification of the CAP to discuss CAP subsidiarity and the appropriate allocation of competence: market price support and regulation, direct payments, and the rural development regulation. In a brief conclusion some topics missing from the earlier discussion are raised. Forestry is not discussed.

## **I. What this paper is *not* about**

It is not an analysis or critique of the present CAP, or a proposal for CAP reform. However HM Treasury's (2013: 3) call for evidence on the EU Budget does say that the Agriculture and other policy specific reports is 'where issues on the reform of those policy areas will be covered'.

It is not an attempt to define an alternative farm policy scenario for the UK government to offer to the electorate in the event of an in-out referendum on EU membership in 2017, although this would be of crucial importance for an informed debate (but see Swinbank, 2013).

Nor is it about implementation in England and by the devolved administrations (ESW&NI) of the 2013 CAP 'reform', although how ESW&NI implement the CAP is part of the debate on subsidiarity.

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<sup>131</sup> <https://www.gov.uk/review-of-the-balance-of-competences>, last accessed 3 January 2014.

<sup>132</sup> Defra (2013: 5) explains: 'The EU Budget report will consider areas of spend at the level of Multi-Annual Financial Framework regulation (i.e. top level budget allocation comparative to other headings and national flexibility to spend through budget) while this report discusses Common Agricultural Policy financing'.



## II. Searching for a counterfactual: What is the alternative?

The Foreign Secretary has said that the Balance of Competencies review does not call into question EU membership. Constraints on the present discussion stem from that. The EU is a common market, and from the outset agriculture (and trade in farm products) has been included in the internal market (Josling and Swinbank, 2013). Both have implications for policy.

As the EU is a common market, and trade policy is an exclusive EU competence, member states cannot unilaterally decide on import regimes or membership of other regional trade agreements (RTAs). The UK as part of the EU, for example, cannot apply a lower import tariff on sugar, or independently form an RTA with Brazil. It is the EU's responsibility to defend its trade policy in the WTO (World Trade Organization) and abide by WTO agreements, including for example the Agreement on Agriculture, and the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement).

In WTO law a common market should involve free trade in 'substantially all the trade between the constituent territories' (GATT Article XXIV). Whilst it is not entirely clear what is meant by the term 'substantially all the trade'—whether or not an entire sector such as agriculture could be excluded for example—and there are earlier examples of excluding agriculture from a RTA (the European Free Trade Area (EFTA) was one), it is doubtful whether the EU would be willing to risk the displeasure of other WTO Members by now seeking to exclude agriculture from the common market.

It took some time to complete the internal market. Prior to 1992 various non-tariff barriers, stemming from divergent food safety, plant health, and veterinary regulations for example, impeded the free flow of products between Member States. Completing the internal market by 31 December 1992 was a major political objective for one of the UK's EU Commissioners, Lord Cockfield. Nor had a single internal market really applied within the CAP before 1992: the 'green money' system, for example, had meant that border taxes and subsidies (known as monetary compensatory amounts) applied on intra-EU trade, and a different support regime for sheep meat in Great Britain (but not Northern Ireland) meant that there had to be a *clawback* of support when lamb was exported from GB to the rest of the EU. The working hypothesis of this paper, however, is that current and future arrangements for agriculture need to be consistent with the single internal market.

Competition within the internal market was felt to be a major determinant of policy by the respondents to the Semester One report on Animal Health and Welfare and Food Safety: 'Fair competition within the EU internal market relies to a great extent on harmonised rules that create a level playing field, and some [*respondents*] felt that when Member States implement, interpret or enforce EU law differently this impacts on competition' (HM Government, 2013: 4). Similar views are likely to prevail with regard to the issues raised by the Agriculture review, particularly with regard to plant health and protection.

In addition to the constraints implicit in the fact that the EU is a customs union, recognised as such by the WTO and its trading partners, and that agriculture (and trade in agri-food products) is an integral part of the EU's internal market, the EU treaties go further. Reflecting its initial construct of 1957, Article 38(4) of the *Treaty on the Functioning of the European Union* insists that 'The operation and development of the internal market for agricultural products must be accompanied by the establishment of a common agricultural policy', whilst Article 39 sets out what the CAP's objectives shall be. It may well be time for the EU to revisit these Treaty provisions and the policy mechanisms in place to address them. For example, what does 'ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture' mean, and do the policies in place actually do that? But this would require a fundamental review of the CAP, and possibly its treaty provisions.

If Member States are to pursue agricultural policies, then the desire to ensure fair competition in a single internal market does suggest that some (if not all) elements of those policies should be exercised in common, as explored further in Section IV. But von Cramon-Taubadel, Heinemann, Misch and Weiss (2013) go further, suggesting that there could be *added value* in having a CAP compared to Member States pursuing their own farm policies: in particular their tentative conclusion was that 'that the CAP has capped expenditure on agricultural policy in recent years' (op. cit. 37). Their political economy modelling exercise, based on the 'relationship between key economic and political-economic characteristics' and budget expenditure on national agricultural policies in countries such as Canada, Switzerland, and the US, was used 'to predict the levels of public expenditure on national agricultural policy that each EU member state would choose if there were no CAP' (op. cit.: 36). On the whole the modelling suggests that the richer Member States would have spent more, and the poorer Member States less, on national agricultural policies than they did on the CAP, with an overall moderating effect. In particular, from a British perspective the challenging (and perhaps counter-intuitive) notion is that the simulated expenditure on an independent UK national policy (for '2009') slightly exceeded the UK's gross contribution to CAP expenditure, resulting in an almost 50% *increase* in support to British agriculture (op. cit.: 49).

### III. Does the *Fiscal Federalism* literature help?<sup>133</sup>

At the European Council of December 2005 (and subsequently endorsed by the European Parliament in the Inter-institutional Agreement of May 2006) the European Commission was 'invited to undertake a full, wide-ranging review covering all aspects of EU spending, including the Common Agricultural Policy, and of resources, including the United Kingdom rebate, and to report in 2008/2009.'<sup>134</sup> DG Budget

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<sup>133</sup> This section and other paragraphs are recycled from Swinbank (2012b).

<sup>134</sup> Declaration 3 attached to the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management, *Official Journal of the European Communities*, C139, 14 June 2006.

(and its then Commissioner, Dalia Grybauskaitė), and the Bureau of European Policy Advisers (BEPA), set about the review with enthusiasm. A public consultation was launched; and BEPA held a number of workshops, and a major conference in April 2008 at which there was much use of the terminology of *Fiscal Federalism*, and little enthusiasm for the CAP.<sup>135</sup> It was not just budget specialists that sought some guidance from fiscal federalism: CAP analysts did too (e.g. Núñez Ferrer, 2007; Mahé, Naudet & Roussillon-Montfort, 2010; Sinabell, Schmid & Pitlik, 2011; Elekes & Halmai, 2011).

According to one of its leading theorists, fiscal federalism ‘addresses what might be better called “the economics of multi-level government,” the roles of the different levels of government, and ... regulatory, as well as fiscal, functions and policy instruments’ (Oates, 2002: 36).

But it has not been easy to apply the theory, for the EU is special (Begg, 2009). It is not a top-down federal government with powers and responsibilities devolved to the states. Instead it is a bottom-up construct with nation states pooling sovereignty on selected policies. It has a very small budget —about 1% of the EU’s GNP— and very little discretion over taxation. Thus two of the oft-cited responsibilities of a federal government are difficult to apply: macroeconomic (and particularly fiscal policy) to bring about growth and stability, and redistributive policies to bring greater equality in living standards to disparate regions. The euro is currency union, rather than the currency of a federal state with its own budget and macroeconomic policy. Núñez Ferrer (2007: 2) concluded that ‘in practice, a common budget for a body like the EU cannot be based on the efficient, first-best choices of the theory. The EU is given the degree of competence that is politically acceptable and feasible, which entails a budget that only finances some areas the theory assigns to a supranational body and includes expenditures fiscal federalism would not allocate to such a body.’

The CAP does however have redistributive effects (see for example Swinbank, 2012b), which are politically important, and which were partially addressed in the 2013 CAP ‘reform’; and there are a number of other CAP policies for which, potentially, ‘the policy objectives and impacts are transboundary in nature’ (Burrell, 2009: 281). One theme that came out of BEPA’s April 2008 conference was the perception that ‘the provision of EU public goods ... was underrepresented’ in current EU spending. ‘The obverse of the low share of public goods provision in the EU budget is the large portion of EU spending with distributive effects.’ However, ‘while there was a broad consensus among the participants that the current allocation of EU spending between distribution and public goods should be improved, it was also clear that designing and implementing a reallocation would be complicated by the fact there is no clear line of demarcation between the two areas’ (Larch, 2008: 4). Moreover, as Zuleeg (2009: 7) has demonstrated, in the debate there was a lack of clarity in defining ‘what exactly is meant by a European public

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<sup>135</sup> For a record of this meeting see Larch (2008).

good'.<sup>136</sup> However that has not stopped some agricultural economists from advocating a reorientation of the CAP for the delivery of European public goods.<sup>137</sup>

The policy requirements of the internal market and the customs union, and the CAP's potential redistributive effects and delivery of European public goods, are discussed in more detail in the next section.

#### **IV. The CAP's Three Arms**

Although CAP analysts refer to the two pillars of the CAP —Pillar 1 being market price and income support, and Pillar 2 Rural Development— it will be more convenient in this discussion to consider three arms of the CAP: i) market price support and regulation (the single CMO or Common Market Organisation), ii) direct payments, and iii) Rural Development.

##### *i) Market price support, market regulations, and the Single CMO*

The CAP prior to the adoption of the MacSharry reforms in 1992 was dominated by expenditure on market price support, supported by high import barriers, intervention, and export subsidies. Even after the 2013 'reform' some vestiges of this 'old' CAP remain. It might legitimately be asked whether in the 2010s (as opposed to the 1950s and 1960s) government still has a role in regulating agricultural markets; but there are strong pressures from other Member States, and from within the European Parliament (particularly in the Committee on Agriculture and Rural Development, COMAGRI) to retain this support. Indeed, some have argued for more, rather than less, intervention. Although not of particular relevance under current market circumstances, existing market price support mechanisms could kick-in at some time in the future.

To ensure the integrity of the single internal market the EU has been given responsibilities to monitor and police state aids, and the competitive practices of firms that operate beyond national boundaries. If EU rules did not exist to lock-in the present support arrangements for agriculture then some more-interventionist oriented Member States might unilaterally introduce their own protectionist policies. If market price support for agricultural products is not to cause competitive disturbances within the single internal market then there is a strong logic that a

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<sup>136</sup> The term 'public good' is often used rather loosely (here as elsewhere!), with few contributors fully complying with a strict economics textbook definition (non-rivalry in consumption and non-excludable). Modern technologies make it increasingly possible to exclude people from what might otherwise be thought of as public goods, creating so-called toll or club goods; and in a crowded world it is increasingly difficult to enjoy public goods without experiencing some form of rivalry in consumption (open-access goods). Frequently what analysts have in mind when they talk of public goods is externalities (both positive and negative) associated with some activity: hence multifunctional agriculture. Often the counterfactual is difficult to establish: what would be the state of the countryside for example if marginal farmland were abandoned? Legislation determining what can, and cannot, be done with land can be important in determining base-line provision. Moreover, it is easy to forget that a public good should only be commissioned if the expected benefits to society match or exceed the costs incurred in its provision.

<sup>137</sup> For example: 'A Common Agricultural Policy for European Public Goods. 2009 Declaration by a Group of Leading Agricultural Economists', at <http://www.reformthecap.eu/posts/declaration-on-cap-reform#>, last accessed 5 January 2014.

*common* set of support prices and market regulation measures should be applied. Moreover, a seamless web of interlocking price support suggests that EU —rather than national— funding of the policy would be preferable, as spending on market price support in one Member State supports prices elsewhere.

### *ii) Direct Payments*

If, as is claimed, these payments are truly *decoupled* they should neither affect competition within the single market, nor internationally, and —invoking the principle of subsidiarity— they could be safely left to the Member States (although, as *redistributive* policies, they might be funded on an EU level). If however, as widely believed, they are not fully decoupled, and do have the potential to affect competition both within and without the single market, then they warrant EU control, and this might best be achieved by EU funding.

Direct payments are not decoupled to the extent they are linked to greening and cross compliance, and the whole debate about the multifunctionality of European agriculture. Some Member States remain heavily committed to *partial* recoupling. Moreover there is some evidence to suggest that many farm businesses use direct payments to subsidise their farming activities, thus perpetuating inefficiencies in EU agriculture.<sup>138</sup> The political debate frequently focuses on the terms *fair* (with regard to per capita and per hectare payments to farms, regions and Member States) and a *level playing field*, and on neither count is it easy to imagine the British farm lobby being content with a single internal market in which they were not in receipt of direct payments (or were only eligible for much lower payments) whereas their counterparts elsewhere in the EU were.<sup>139</sup>

If in part their purpose is *income support*, on what basis should they be determined, distributed and funded?<sup>140</sup> There is little evidence to suggest that payments are targeted in an objective fashion (Swinbank, 2012a & b). In its quest to ‘ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture’ the European Commission seems to focus on the *agricultural* earnings of the agricultural sector rather than on the *household* incomes of *individuals* engaged in agriculture (based on private discussions with Commission officials). Is this how Article 39(b) should be interpreted? Although the 2013 ‘reform’ has reconfirmed direct payments as an integral part of the CAP for the time being, perhaps now is the time to debate and reconsider the role of direct payments in the 2020s?

### *iii) Rural Development*

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<sup>138</sup> For a fuller discussion of direct payments and an introduction to some of the terminology of this paragraph see Swinbank (2012a).

<sup>139</sup> Although the conclusions of von Cramon-Taubadel, Heinemann, Misch & Weiss (2013) seem to suggest they might expect much higher payments in such a scenario.

<sup>140</sup> The new Regulation (European Parliament and Council, 2013) makes several references to ‘income support’ in its introductory paragraphs, although there does not seem to be any attempt to explain why income support is justified, and the term is not used in the Articles of the legislation.

One argument for EU involvement (and funding) under the Rural Development Regulation is for the provision of European public goods. But two problems are encountered when this claim is confronted with actual practice. First, EU funding is not based upon objective needs and policies, but instead on national budget allocations. For the pre-2004 Member States this funding is largely dictated by historical practice, although larger allocations have been made to the new Member States. Second, the diversity of projects adopted by the Member States suggest that there is little pan-EU agreement on what constitutes a *European* public good. For example, in the 2007-2013 programming period the UK planned to devote 11.6% of its budget to Axis 1 ('Improving the competitiveness of the agricultural and forestry sector') compared to an EU27 average of 32.8%; and 73.8% of its budget to Axis 2 ('Improving the environment and the countryside through land management') compared to a 45.4% EU27 average (European Commission, 2013: Annex E). All this suggests a strong redistributive component. This is confirmed by part of the European Commission's answer to its own rhetorical question: 'Why have a *common* rural development policy?'. Its response: 'Not all countries in the EU would be able to afford the policy which they needed'.<sup>141</sup> If redistribution is one of the objectives of the policy, does it do so objectively; and if objective criteria indicated a lower allocation to the UK for example, with increased financial flows to the Mediterranean States and Central and Eastern Europe, would the UK be content with that outcome?

The most cited cases of *European* public goods involve environmental services (or externalities) that spill-out over national boundaries. Whilst they may not apply with equal intensity across the full territory of the EU, their relevance is more than local. Both fiscal federalism, and the principle of fiscal equivalence (Olson, 1969), suggest that *national* or local public goods should be determined, and financed, at local level; but with the caveat that if they do impinge on competition within the single internal market, or interfere with the EU's international obligations, then the EU does have a role to play. On this reading, only if there is a European dimension (or European value added) would a European response be justified. EU intervention could also be justified for global public goods, such as efforts to combat global warming (though that seems to be sadly lacking from the 2013 'reform', despite the rhetoric of the proposal), or for R&D and political contributions to add to *world* food security. But most transboundary effects are unlikely to map uniformly onto to the territory of EU28, with some more relevant in particular locations than in others, and with considerable variation in citizens' preferences *and their willingness to pay* for the delivery of these goods. Thus delineating European from national public goods is likely to be a political rather than a technical exercise.

## V. Final Comments

In this review it has been difficult to hold the line between a detached, technical, examination of the appropriate allocation of competencies for agriculture between the EU and the Member States (and devolved administrations) and a critique of the

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<sup>141</sup> [http://ec.europa.eu/agriculture/rurdev/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/index_en.htm), last accessed 5 January 2014.

present CAP. The intent has been to focus on the former. Three broad conclusions can be drawn although none are particularly new or novel.

First, the fact that the EU is a customs union and that agriculture is an integral part of its single internal market suggests strongly that the EU should have competence over matters relating to trade policy, and policies that affect competition within the internal market. This is valid not only with regard to an objective assessment of the risks national policies might pose to the integrity of the single market, but also to the political concerns of important groups worried about 'fairness' and 'level playing fields'. The 'old' CAP mechanisms of market regulation and market price support fall under this category, and for the latter extend to the principle of EU funding of the policy. The same considerations apply to the direct payments component of the new CAP to the extent they affect competition within the internal market, or are perceived to do so. Full, or partial EU funding of direct payments is however a more open question. Food safety, veterinary, and plant health regulations, would also fall under this category.

Second, the CAP is a redistributive policy: a major justification for direct payments is 'income support', and funding for rural development has a strong redistributive component particularly for the newer Member States. However, if EU funding of this distributive component is to be justified there needs to be a clear agreement on a list of criteria and objectives.

Much of the discussion about EU competence suggests that EU intervention is justified when the effect is felt beyond the boundaries of individual Member States: hence the focus on competition in the internal market, discussed above, and on European public goods. European (or global) public goods might for example relate to environmental issues such as river systems and water catchment areas, bird migration, or global warming (all of relevance to the Rural Development Regulation), or matters of global governance such as the WTO system of trade law, or global food security. Whilst the concept of European public goods might help policy makers decide what policies should or should not be included in (and funded by) the Rural Development Regulation, this is unlikely to be an exact science.

This review has focussed on policy areas in which the EU treaties confer exclusive or shared competence on the EU. An academic discussion of the Balance of Competencies should perhaps note that there are other policy domains of relevance to agriculture that remain an exclusive national competence, including farm income taxation, planning regulations, and landlord-tenant relations. Moreover, it does seem rather odd that income support for the agricultural community is, apparently, a EU competence whilst welfare payments for the *non*-agricultural community are not. It is doubtful there would be much appetite amongst British politicians to bring these topics to the negotiating table, but others might wish to do so!

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## Tamara

**Q1. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in**

**addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Local produce should be governed locally.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** Not much.

**ii) disadvantages the UK national interest?**

Ignores the wonderful variety and richness of our growing and gardening heritage.

**Q8. – Q9.** Not answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

What we are allowed to grow in our gardens should not be governed or controlled by export considerations.

**Q11. – Q15.** Not Answered

## **Tate & Lyle Sugars**

### **Executive Summary**

1. Tate & Lyle Sugars welcomes the chance for an open and transparent debate on the shortcomings of agricultural policy-making under EU competence, and how UK competence could address these shortcomings. With regards to sugar, we believe that EU agricultural policy actively discriminates against cane refining and places high quality manufacturing jobs in the sector at significant and unjustifiable risk. EU competence in this area also counts against the broader UK interests of open, efficient and competitive markets. The UK national interest has been particularly damaged by the increasingly complex, confused and compromised European decision-making process. This has been made worse by the dilution of UK interests as the European Union has grown to 28 Member States. We believe that UK competence over sugar policy would see a fairer outcome for cane refining, as well as better serving UK national interests. We strongly urge the British Government to re-negotiate a more balanced EU sugar policy, or repatriate competence over sugar policy.

### **Context of our evidence**

2. Tate & Lyle Sugars is the largest cane sugar refiner in Europe and has been refining cane sugar on the bank of the Thames in Newham, East London, since

1878. There are around 800 full time employees at the plant. This is the only cane refinery now operating in the UK. When Britain joined the EU there were six cane refineries. Cane sugar refining has been a manufacturing activity in the UK since the 1700s.<sup>142</sup>

3. Cane sugar refiners compete in an uneven and distorted market that is heavily regulated in favour of European beet sugar producers by the European Union Common Agricultural Policy (“CAP”). This takes the form of punitive import duties on cane sugar<sup>143</sup>, our raw material, whilst the European beet sector is increasingly deregulated. These import duties typically double the cost of our raw material relative to beet sugar producers.
4. The limited amount of raw material we can source at reduced or zero duty is through the various preferential trade agreements the EU has. The suppliers allowed access through these agreements account for just 5 percent of global trade in sugar and include some of the highest cost and most challenged sugar producers in the world. An extensive EU support programme aimed at improving their competitiveness failed to meet its principle objective, and no new development support is envisaged. The European Commission has actively worked to limit preferential access to raw cane sugar through emerging FTAs, prompting producers such as South Africa and Thailand to question the EU’s commitment to free trade.
5. The cost of this preferential sugar is still artificially inflated by the basic protectionist trade structure despite it being free of or at reduced import duty. This is because cane refiners are forced to pay a premium above the market price to this limited group of preferential suppliers that reflects the avoided cost of the basic punitive import duty.
6. As a result, our competitiveness as a business is almost entirely dependent on Europe’s trade and agriculture policies.
7. The European Commission has taken a number of decisions in recent years which have favoured beet sugar relative to cane sugar.<sup>144</sup> This will be further compounded by the recent political agreement on the CAP. This agreement will see European beet sugar producers largely freed from regulation, particularly quota constraints, from October 2017<sup>145</sup>. In contrast, cane sugar refiners will continue to face strict and punitive constraints on access through trade to cane sugar raw material.

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<sup>142</sup> For more information see our campaign website [www.saveoursugar.eu](http://www.saveoursugar.eu)

<sup>143</sup> Currently €339 per tonne for raw sugar and €419 for refined sugar (Chapter 17 of Council Regulation 1549/2006), supplemented by variable import duties that come into force when world prices for sugar are low, and increase as world prices fall further (see Article 141 of Council Regulation 1234/2007, implemented by Article 36 and 37 of Commission Regulation 951/2006). This variable duty is currently suspended.

<sup>144</sup> These have been challenged by us in the General Court of the European Union in actions T-279/11, T-103/12, T-335/12, T-225/13 and T-411/13.

<sup>145</sup> See [http://ec.europa.eu/agriculture/cap-post-2013/agreement/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/agreement/index_en.htm)

## **Q1. Should the EU have competence for agriculture and plant health?**

8. The EU and UK do not share the same priorities in terms of agriculture policy as it applies to sugar. This means that if the British Government wants to achieve its objectives it should pursue one of the following options:
  - (a) repatriate competence over CAP sugar policy on the basis of national interest,
  - (b) argue that cane sugar should be a national competence as it is not generally produced in Europe and is a priority for member states with a pre-accession national interest in cane sugar refining,
  - (c) argue that EU sugar policy should be separated from the CAP, given that the end of quotas means the only remaining justification for keeping it part of the CAP is to protect the EU beet sector from cane sugar.
9. Securing this competence is particularly important as the current European decision-making process makes it unlikely that the British Government will ever achieve its objectives. This is because of the central role that the large number of Member States and the European Parliament play in decision making. Large proportions of these interest groups have diametrically opposed objectives on agriculture policy. This is explored in more detail in paragraphs 24 to 44.
10. The result of EU competence over agriculture and sugar policy is best seen in the recent CAP Reform deal. This deal is highly asymmetric. It unleashes two of the three European sweetener producers – beet and isoglucose – from legislative constraints whilst keeping the third producer – cane refining – tightly constrained by legislation. This will inevitably lead to the loss of high quality manufacturing jobs, competition, choice, and higher prices for sugar consumers unless some urgent action is taken to free up the cane refining sector from legislation. Whilst the UK Government and other cane refining Member States argued for fair and parallel treatment for cane refiners, they were unable to secure this through the CAP Reform process.
11. Of particular concern to us is that this asymmetric policy imbalance is despite three years of intensive campaigning by cane refiners for a fair deal in the CAP Reform process. Tate & Lyle Sugars alone has held over 600 meetings with nearly 500 stakeholders and has created a dedicated resource in Brussels<sup>146</sup>. Our cane refining colleagues in other Member States and the European Sugar Refineries Association replicated these efforts. Despite this, and despite the majority of stakeholders recognising that the outcome is discriminatory and prejudiced, agricultural decision-making in the EU continues to revert to national interest. Given this embedded self-interest we question whether cane refiners will

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<sup>146</sup> For more information on our activity in Brussels see the European Transparency Register. Our ID Number is 50465929991-70 and the Register can be found at <http://ec.europa.eu/transparencyregister/public/consultation/search.do?locale=en&reset=>

ever get a fair deal from an agricultural policy under EU competence due to our minority position in the European sweetener sector.

12. British Government policy states “we strongly believe that the sugar beet and sugar cane industries should be afforded the opportunity to compete on an equal basis” and that removing the beet quotas without a parallel reduction in import duties would leave EU cane refineries in a “perilous position”<sup>147</sup>. This policy is endorsed by the House of Lords.<sup>148</sup> It is clear to us that we would get a fair deal from a sugar policy under the competence of the British Government. It is also clear to us that it is only likely we would get a fair deal when the British Government have competence over sugar policy.

## **Q2. What evidence is there that the EU approach to agriculture i) benefits the national interest?**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

13. There are no clear benefits to the national interest from the EU approach to agriculture as it applies to sugar.

14. There are a number of ways in which the EU approach to agriculture disadvantages the UK national interest with regards to sugar.

15. First, precious high quality UK manufacturing jobs are being lost due to the protectionist approach to EU agriculture.<sup>149</sup> This has happened because we have not been able to access sufficient supplies of raw material at competitive prices through a European trade policy that is protectionist in order to protect EU agriculture. It remains protectionist in response to extreme lobbying pressure from the European agricultural sector. Indeed, the European Association of Sugar Manufacturers (CEFS) has recently been named one of ten most effective trade associations in Brussels.<sup>150</sup>

16. Second, UK refined sugar exports are being reduced and refined imports increased through a trade-diverting impact from the protectionist approach to EU agriculture. This impact reduces UK refined sugar exports whilst increasing UK refined sugar imports. Its effect is to export sugar manufacturing activities from the UK to Continental Europe. Production at Thames Refinery has fallen from around 1.1 million tonnes per annum in 2009 to around 600,000 to 700,000 tonnes per year subsequently. This drop in production is a direct result of the EU

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<sup>147</sup> See the Government response to the House of Lords EU Committee D report of the EU Sugar Regime at <http://www.parliament.uk/documents/lords-committees/eu-sub-com-d/sugar/government-response-eu-sugar-regime.pdf>

<sup>148</sup> See the final report of the House of Lords enquiry into the EU Sugar Regime at <http://www.parliament.uk/documents/lords-committees/eu-sub-com-d/sugar/sugarreporteng.pdf>

<sup>149</sup> Around 50 jobs have already been lost at Thames Refinery due to a lack of access to competitive raw material and the refinery is now forced to operate for just 4 to 5 days per week as a result.

<sup>150</sup> See APCO Worldwide and EurActiv survey results, 25 July 2013, at [http://www.apcoworldwide.com/content/News/press\\_releases2013/trademarks\\_brussels0725.aspx](http://www.apcoworldwide.com/content/News/press_releases2013/trademarks_brussels0725.aspx)

policy constraints on raw cane sugar imports to supply our UK manufacturing plant. The sharp increase in refined sugar imports from other EU countries has been particularly evident from France and Germany.<sup>151</sup> This European policy choice has exported high quality UK manufacturing jobs to Continental Europe.

17. Third, UK consumers and food manufacturers are paying around twice as much as they need for sugar due to the protectionist approach to EU agriculture. EU refined sugar prices are currently around double those in the world market.<sup>152</sup>
18. Fourth, UK consumers and food manufacturers will find competition and choice increasingly difficult to secure in the European sugar market as a result of the protectionist approach to EU agriculture. This is because the protectionist legislation will lead to cane sugar becoming uncompetitive relative to beet and isoglucose. This will further increase supply concentration in the sugar market. This will be particularly damaging to competition and choice as the level of concentration is already high, and the sugar market will be left solely supplied by domestic producers who are able to hide behind a vast tariff barrier with no effective competition.<sup>153</sup>
19. Fifth, the British Government objective to increase UK food and drink exports will be undermined by the protectionist approach to EU agriculture. This is because sugar is one of the key ingredients used by the food manufacturing sector. Being able to access competitive sugar supplies is key to competitiveness in the large and fast-growing non-EU food and drink export markets. This is because UK food and drink exporters will be competing in export markets with other suppliers able to access sugar at more competitive prices. The Inward Processing Relief legislation (“IPR”) is often flagged as a solution to this challenge but its use is largely limited to large food manufacturing companies who have the ability to deal with the complex European rules relating to its use. Not only that, but the European Commission is actively attempting to undermine IPR and reduce its ability to allow food manufacturers to compete through recent proposals on sugar and IPR.<sup>154</sup>

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<sup>151</sup> Official trade data supports this.

<sup>152</sup> At time of writing the latest EU white sugar price reported by the European Commission was €659. This compares to a FOB price of white sugar on the world market of around €310. Freight costs and some other small trade costs need to be applied to the world price to make a direct comparison, but clearly the EU price is around double that of the world market price.

<sup>153</sup> Competition Authorities throughout Europe see sugar as a high risk area. The European Competition Network report on the food sector lays out recent antitrust activity at [http://ec.europa.eu/competition/ecn/food\\_report\\_en.pdf](http://ec.europa.eu/competition/ecn/food_report_en.pdf). Further, April 2013 saw a number of further raids on EU beet producers at [http://europa.eu/rapid/press-release\\_MEMO-13-443\\_en.htm](http://europa.eu/rapid/press-release_MEMO-13-443_en.htm). Recent merger investigations in the sugar sector have also demonstrated the clear concerns of European Competition Authorities at [http://europa.eu/rapid/press-release\\_IP-12-486\\_en.htm](http://europa.eu/rapid/press-release_IP-12-486_en.htm). Finally, the European Parliament continues to express concerns in its most recent competition report at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2F%2FEP%2F%2FTEXT%2FBREPORT%2BA7-2013-0357%2B0%2BDOC%2BXML%2BV0%2F%2FEN&language=EN>.

<sup>154</sup> See European Commission document TAXUD/2033/2009 REV3 EN, dated 23 October 2013.

20. Sixth, British Government development policy is being undermined by the protectionist approach to EU agriculture. This is because cane sugar suppliers that currently benefit from preferential access to the EU sugar market will lose their market as beet and isoglucose supplies increase. This will impact on countries with which the UK has strong historical and trading ties in the Caribbean and Pacific, and where up to 20 percent of the population rely on the sugar industry.
21. Seventh, and finally, UK taxpayers are paying twice. They are financing the Common Agricultural Policy itself whilst also suffering the negative impacts described in paragraphs 15 to 20. For instance, just over €12 billion of taxpayer money, part funded by UK taxpayers, will be paid to sugar beet growers between 2006 and 2015. This is intended to compensate beet growers for 60% of the expected price cut resulting from the 2006 CAP Reform agreement on sugar.<sup>155</sup> There are other smaller payments to beet farmers provided for in this regulation. Ironically, beet farmers in most countries are being paid the same or more for their sugar beet as they were pre-reform. So UK taxpayers are being required to fund compensation for 60% of a price cut that has not in fact happened. There is no definitive end to this burden on UK taxpayers as the compensation payment continues beyond 2015 as part of the national envelopes.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action?**

22. The UK would clearly benefit from less EU action in order to champion a competitive food and farming sector. In the context of sugar this would be because increased access to competitive supplies of cane sugar free of import duty would create a more competitive sugar market. This would allow UK food and drink exporters to access competitive raw material and grow exports, as well as providing a further incentive for UK producers to become more competitive.

**Q4. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance – either in addition to or as an alternative to EU action? For example, regionally, nationally or internationally.**

23. Action being taken at a national level would be in the UK interest in the area of sugar as it would allow UK policy makers to design policies that are more appropriate for our more market orientated approach. In particular, it would allow UK policy makers to restore a fair balance between cane and beet sugar producers, as well as ensuring that the policy balances more fairly the interests of producers and consumers. This is much more likely to be achieved at a national level. This is because the European decision making process and objectives of

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<sup>155</sup> These monies are referenced in Table 1 of the Annex to Council Regulation 319/2006. The table is entitled "Ceilings for the amounts to be included into the reference amount to farmers".

European decision-makers is generally diametrically opposed in the area of sugar. This is explored in more detail in our answer to question 7.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report i) benefits the UK national interest or ii) disadvantages the UK national interest?**

24. The current decision making process on agriculture clearly disadvantages the UK national interest. This is because it dramatically dilutes the UK government position in the formation of EU agriculture policy. Our response to this question will focus on why this is, as well as use examples from our experiences during the recently concluded CAP Reform negotiation.

25. Our response will split the examination of the issues in to four key areas. Firstly, the CAP package structure. Secondly, the European Parliament process. Thirdly, the Council process. Finally, the trilogue process.

*The structure of the CAP package*

26. The CAP Package itself created disadvantages for the UK. CAP is now a huge regulatory package. CAP Reform was the first time that the whole CAP package, including direct aids and market measures, had been decided as one and with input from the European Parliament<sup>156</sup>. Indeed, it was also the first time that market measures in distinct and unrelated agricultural markets had been decided as part of the Single CMO.

27. The result of this was that the broad and expansive nature of the CAP, in general, and the single CMO, in particular, saw decisions on the market management of distinct and separate agricultural sectors being traded off and bartered in order to facilitate a final agreement.

28. These trade-offs were not based on smart legislation<sup>157</sup> or logic. They were mainly an effort to broker agreement between two opposing ideological mind-sets – protectionism versus free market principles. This resulted in the two largest EU member states, the UK and Germany, abstaining from the final vote on the Single CMO on the basis that it was too protectionist in nature.

29. It is worth noting that the Single CMO was introduced in order to simplify the many CAP instruments as they relate to agricultural markets. In practice, it has actually made negotiations on these instruments more complex and led to dangerous and bad trade-offs between the various unrelated agricultural markets. Simplification of the CAP has simply increased the power of the European Commission in the CAP negotiating process by diluting the national interests of specific agricultural sectors amongst a much larger and more complex set of negotiating trade-offs.

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<sup>156</sup> The Lisbon Treaty extended co-decision procedure to agriculture.

<sup>157</sup> As defined by the European Commission Smart Regulation programme.



### *The Council*

30. The Council process creates disadvantages for the UK on sugar as 27 Member States with a huge diversity in their agricultural structure, some with no direct interest in sugar production, means the centre of gravity prevails. This is not smart regulation. The undermining of the UK negotiating position is becoming more severe as the EU grows. This is because new Member States tend to weight the balance of power in Council towards agricultural protectionism.
31. The six member states with cane refining industries<sup>158</sup> saw a fair deal for this sector as a priority and worked hard together to achieve this. However, they were not enough to create a minority to force the Council to deal with cane refining fairly. This is a serious design fault as the legitimate interests of those member states with cane refiners are no longer able to be reflected in the Council position simply because Europe has got larger.
32. This was compounded by the interests of the Irish Presidency. Ireland had a clear domestic political interest in ensuring that beet sugar production could re-start in Ireland<sup>159</sup>. This meant that the Presidency had only one objective on sugar – to see domestic quotas eliminated – and the issue of cane refining was kept away from the negotiating table for fear of upsetting the delicate negotiating balance on this key sugar objective.

### *The European Parliament*

33. The European Parliament process seriously disadvantaged the UK.
34. First, the Agriculture Committee dealt with the CAP dossier<sup>160</sup>. This committee is weighted towards the interests of domestic growers given that a number of key members are from a farming background or represent key farming constituencies. This position is particularly noticeable amongst many Continental European members. This makes it very difficult for cane refining to be dealt with fairly by the Committee.
35. Second, the selection of rapporteurs disadvantaged the UK. There was no UK rapporteur leading any of the four CAP dossiers despite the CAP being the single biggest item of European Union expenditure and the UK being one of the big four EU Member States.
36. Third, the Single CMO saw a partisan rapporteur from the EPP political group appointed to champion the interests of the farmers impacted by the regulation. The rapporteur refused to meet any representatives of the European cane refining sector despite repeated requests. He wrote an inaccurate press article

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<sup>158</sup> UK, Italy, Portugal, Finland, Bulgaria and Romania.

<sup>159</sup> See, for instance, <http://www.finegael.ie/our-people/tds/aime-collins/entrepreneurship-forum-wi/abolition-of-sugar-quotas/>

<sup>160</sup> In terms of the Single CMO, opinions were given by DEVE and REGI. The end result could potentially have been more balanced if opinions were sought from committees dealing with trade, competition and enterprise issues.

criticising cane refining<sup>161</sup>. There were instances of the rapporteur attempting to mislead cane refining supporters in the European Parliament by appearing to amend regulations to rebalance his proposals for cane refiners but inserting parallel technicalities that nullified this.

37. Fourth, the shadow rapporteur for the S&D political group was Spanish. She had little knowledge of the sugar sector. The EPP and S&D are the 2 largest political groups in Parliament. Given that there are no UK representatives in the EPP, and that there are no UK EPP or S&D members on the Agriculture Committee, getting a fair position from the European Parliament was simply not possible.
38. Fifth, the European Parliament amendment process for the CAP was a mess. Sugar was subject to 176 amendments alone and the Single CMO faced more than 800 amendments. It was impossible for MEPs, advisors and stakeholders to manage. Voting was extremely confused, with so many amendments to follow and vote upon<sup>162</sup>.
39. Sixth, the European Parliament appears to lack the technical expertise and support available to the other institutions and industry. This led to uninformed and illogical outcomes, based on political rather than technical considerations. It also meant that some European Parliament decision makers were quick to adopt simplistic, misleading and incorrect propaganda about European cane refiners put forward by the beet sugar sector.
40. Finally, the resource required by business to engage with the European Parliament through this process was vast. This is a direct and significant cost to UK businesses that could be reduced and more effective if the debate was more focused.

#### *The trilogue process*

41. The trilogue process seriously damaged the UK interest as well as undermining democratic decision making.
42. The trilogue process was rushed and pressured by an agreement at all costs mentality driven by political deadlines unrelated to the CAP package. Eventually, the agreement was between the three individual representatives of the European institutions. The UK was not directly represented in the agreement. All three European representatives had their own agendas. There was no thought for the implications of the final decision on UK national interests despite the CAP representing the largest area of EU expenditure and directly impacting many tens of thousands of UK stakeholders.

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<sup>161</sup> See the article on page 22 at <http://www.theparliament.com/digimag/issue364>

<sup>162</sup> See, for instance, this article in the UK national press on the confused voting process <http://www.telegraph.co.uk/news/worldnews/europe/9829032/Bingo-hall-vote-caps-classic-piece-of-EU-double-dealing.html>

43. The eventual agreement was confused and opaque. Even those present did not really know what had finally been agreed. There was a great deal of confusion. For instance, on sugar, the different institutions felt that they had agreed to different criteria on the period of exclusivity for access to import licences for raw cane sugar refiners.
44. In conclusion, the decision making process lacks control. The breadth of the issues being covered and the vast range of stakeholder interests means that the outcome was a poor quality and rushed compromise that does nothing to advance UK interests on sugar. A UK decision-making process would have been more efficient, considered, and balanced.

**Q8.** Not Answered

**Q9. Considering the Single CMO i) how successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs? ii) How could they be improved?**

45. The Single CMO is unsuccessful in meeting the needs of local and national needs whilst striking the right balance. This is because the Single CMO covers so many agricultural markets and national conditions in those markets. It is inevitable that the Single CMO will need to be modified in the future to ensure national interests are better recognised. The current situation, whereby unrelated trade-offs in a broken decision-making structure determine the outcome, is politically and economically unsustainable.
46. If the Single CMO cannot be modified to better reflect legitimate national interests then elements of this regulation shall increasingly be re-nationalised.

**Q10. – Q14.** Not Answered

**Q15. Are there any general points you wish to make that are not captured in any of the questions above?**

47. At the Agriculture Balance of Competence launch event Defra asked for views on how agriculture policy might work if competence were to be returned to the UK.
48. With regards to sugar, we believe that the British Government already has a clear and logical position on sugar that could easily be transposed into UK policy,
49. The British Government policy is for beet and cane to be able to compete on equal terms and that this should mean an end to both beet and isoglucose quotas as well as cane sugar import duties. If sugar policy were to be repatriated then this should be the UK policy on sugar.
50. This policy would enable the UK government to meet its wider objectives of encouraging competition and choice in a liberalised market, as well as allowing UK sugar manufacturers to compete on a more equal basis with their Continental European competitors.

51. European beet sugar producers should be provided with duty free access to the UK sugar market only provided that UK beet and cane sugar producers have equal and opposite duty free access to European sugar markets.
52. Preferential sugar suppliers should continue to enjoy duty free access to both the UK and European sugar markets. They will be free to choose which provides the best return. In the event that preferential sugar suppliers are uncompetitive then development policy should support them to improve competitiveness. That support should be adequate, timely and focused on competitiveness.

## TaxPayers' Alliance

Sent its report entitled: "Food for Thought: How the Common Agricultural Policy costs families £400 pounds a year" for consideration as evidence.

Available at: <http://www.taxpayersalliance.com/cap.pdf>

## Taylor, Lone

### **Q1. Should the EU have competence for agriculture and plant health?**

EU should have competence for agriculture and health in large scale farming BUT the competence for small scale and home gardeners. This responsibility should be put into the hands of the UK government.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

The evidence shows that the EU law will greatly reduce the benefit to the UK national interest by reducing the availability of seed varieties.

#### **ii) disadvantages the UK national interest?**

Reduction of seed varieties will disadvantage small and home growers.

**Q3. – Q15.** Not Answered

## Taylor, Sarah

### **Q1. Should the EU have competence for agriculture and plant health?**

I believe that the EU has no part to play an individual's right to grow in their own garden/allotment whatever seed they wish. The EU should not have competence for Plant Reproductive Material intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation."

**Q2. - Q15.** Not answered

## **The British Association of Seed Analysts**

### **Q1. Should the EU have competence for agriculture and plant health?**

Some yes, but there are areas where we should have the right to differ.

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

Some rules are good for the industry as a whole, helps with trade options

#### **ii) disadvantages the UK national interest?**

Some rules they lay down are too influenced by individuals, what's good for one country might differ for another.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Yes I do think we need to champion certain areas. I'm in the seed sector and I find some of the changes made do not represent the EU as a whole. Again it seems to be individuals trying to influence us as a whole.

### **Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

There is a need to produce better plants and crops for different uses for the future and we need all countries to work together for this cause.

### **Q5. What evidence is there that the current competence over forestry policy:** **i) benefits the UK national interest?**

We have a very good policy to protect trees from invading diseases and this should not change.

#### **ii) disadvantages the UK national interest?** None that I can think of.

### **Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

We need to be represented by as many people from different areas of the trade, regionally, nationally and internationally. I've been to international meetings and we do seem seriously outnumbered on occasions.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** Not sure.

**ii) disadvantages the UK national interest?** Not sure.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

We need these agreements for world trade to allow exports.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?** Too balanced toward mainland Europe rather than including the UK.

**ii) How could current arrangements be improved?**

More representation on all issues.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Generally there is a good balance but we need to ensure all countries stick to the rules.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?** Not sure.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

I just think as a whole again there doesn't seem a level playing field.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

We need to ensure people coming into the industry are properly educated about all EU agricultural issues.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

There needs to be ongoing meetings on all issues at regular intervals with as many representatives as possible from all countries.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

The lack of younger people coming into the trade needs to be addressed quickly.

## **The Crossing Community Smallholding**

**Q1. Should the EU have competence for agriculture and plant health?**

No, each territory and place has its own unique circumstance and microclimate only intimately understood by immediate inhabitants. How can someone making laws 300 miles away possibly know what is right for everyone?

**Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

Looking at the health of our population, very little. 'National interest' needs quantifying. Without health nothing else really matters.

Food is medicine, not something to make money. EU means massive industrial agrochemical experimentation. We need micro local food production."

**ii) disadvantages the UK national interest?**

EU laws and regulations restricting seed saving activities are inherently wrong and must be stopped immediately.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

EU involvement is not helpful or useful. What is this talk of 'competitive' food and farming sector. This is an idiotic stance. Food is about health and is the ultimate keystone to your existence and mine, it is always needed, it will always sell. All we need focus on is quality, biodiversity and variety. Where there is biodiversity there is adaptability, where there is adaptability there is resilience, where there is resilience there is a chance we shall ride the coming changes and survive. UK needs to be encouraging small scale local production with zero miles to market, as agrochemical industrial monoculture deserts are detrimental to life. Evidence & examples are not required this is common sense.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Where there is biodiversity, adaptability and resilience in a biosphere, biosecurity is intact. Single market or not.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?** n/a

**ii) disadvantages the UK national interest?** n/a

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The only place we can talk agriculture and plant health is small local, local decisions made by local people, then we can move to regionally.

Top down isn't working; let the grassroots actions build a better way.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?**

Is anyone really considering the layman? Never mind about agribusiness.

The health and well being of the layman benefits the national interest.

**ii) disadvantages the UK national interest?**

If the layman is prohibited from growing his cottage garden and saving & sharing seeds the European parliament is disadvantaging the UK national interest.

**Q8. – Q10.** Not Answered

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

Biofuel is wrong.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

Objectives for the sector' should be to grow the most nutritious food possible with as little input as possible, whilst increasing fertility and building topsoil. Funds need to be distributed to farmers with these aims.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

If we do not encourage chemical free practices that explore minimum tillage, agroforestry, agroecology and regenerative agriculture we shall shortly be left with very little usable topsoil to feed ourselves. Never mind about what's happening over the water, let's concentrate on home produced, home consumed high mineral content, nutrient dense food that grows intelligent health humans who can find a way out of this mess we're in.



**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

We don't need involvement from the EU or international levels; we just need the mission statement to be: grow and eat locally.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Change planning laws to allow small scale growers and farmers to produce high quality mineral rich, nutrient dense food for local people. Small is Beautiful.

## **The Freedom Association**

Background:

The Freedom Association (TFA) was founded in 1975 and is a non-partisan, centre-right, libertarian pressure group. It believes in the freedom of the individual in all aspects of life, including economic, to the greatest extent possible. As such, The Freedom Association seeks to challenge all erosion of civil liberties and campaigns in support of individual liberty, free market economics and freedom of expression.

CAP over the past 40 years

The UK's membership to the EU has required it to contribute to, and implement regulations, the Common Agricultural Policy (CAP). According to Lee Rotherham of the Taxpayers' Alliance, beyond the initial outlay of £4.7 billion per year, there were also supplementary costs of £5 million for the duplication of food safety agencies, £264 million for regulatory burdens, £317 million in increased social welfare costs and £5,300 million in the resulting increases in UK food costs. The total costs of CAP under the previous regime therefore came to £10,300 billion per year.<sup>163</sup> Open Europe have a reduced estimate of £7.1 billion per year (£33.7 billion over the funding period)<sup>164</sup>, however, the organisation do not take into consideration the spectrum of other costs that are accounted for in Dr Rotherham's study.

Reform of the CAP system, along with its budget, had been hotly debated topic and the EU signalled a reform to CAP in order to achieve a "fair deal for farmers, consumers and taxpayers"<sup>165</sup>. As this submission will demonstrate, the reforms do not go far enough to create a liberalised and competitive marketplace where there is a reduction in the bureaucracy that is faced by farmers, taxpayers are assured of a competitive market environment that drives up standards and offers the widest range of choice and consumers are able to access food at global market rates.

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<sup>163</sup> <http://www.taxpayersalliance.com/cap.pdf>

<sup>164</sup> [http://www.openeurope.org.uk/Content/Documents/Pdfs/CAP\\_2012.pdf](http://www.openeurope.org.uk/Content/Documents/Pdfs/CAP_2012.pdf)

<sup>165</sup> <https://www.gov.uk/government/policies/reforming-the-common-agricultural-policy-to-ensure-a-fair-deal-for-farmers-consumers-and-taxpayers/activity>

This submission will look into areas that we feel might not be covered by other submissions. Therefore, it will not focus on the Single Payment System, for example. It will, however, highlight some less well known issues about CAP and how it affects the farming community, the taxpayers and the access to products at the most competitive prices. In doing so, it recognises that the full extent of the reforms that have gone through CAP have not been realised to the fullest extent. We also assume that, unlike many EU countries in the area of animal welfare<sup>166</sup>, the UK will comply to the letter with the Directives concerning the reforms.

#### The New CAP:

The new Common Agricultural Policy was granted a total budget EUR 362.787 billion for 2014-2020, of which EUR 277.851 billion is foreseen for Direct Payments and market-related expenditure (Pillar 1) and EUR 84.936 billion for Rural Development (Pillar 2) in 2011 prices. This represents a trebling of the total funding since 1994.

#### Bureaucracy:

Along with extra costs over the previous 20 years have, in some instances, been accompanied by extra bureaucracy. Despite the desire to make the system “fairer for farmers”, reforms have meant there is now a requirement for farmers to prove that they are, in fact, farmers – through an active farmer test.<sup>167</sup> This licensing behaviour is quite astounding at a time when the UK government is trying to boost UK production and, in general terms, levels of regulation such as this is dis-incentivises smaller producers from farming.

#### Incentives that are more PR than promotion:

The new system of CAP is also looking to be fair to the taxpayer. Despite the obvious costs that remain in direct payments, including payments to support EU wide agencies and the regulation that they monitor, there are also new costs that amount to PR rather than real reform.

The EU says that they (through the taxpayer) are looking to provide start-up aid to young farmers<sup>168</sup> through the Smaller Farmer Scheme. To qualify for this start up aid, the farmer is eligible for a fixed payment of between £500 and £1,000 regardless of the amount of land farmed.

The first criticism of this is, with no account taken into how much land is farmed, young farmers are not rewarded for being ambitious or competitive. Secondly, it is unclear as to whether this odious requirement to be seen as an “active farmer” is required to qualify. Thirdly, the definition of a “young farmer” seems to be anyone under 40 years of age at the date of application<sup>169</sup>. This, by comparative standards of what constitutes as being a “young” person by the UK government in other areas,

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<sup>166</sup> Please see The Freedom Association’s submission to the first review from Barrington, J.

<sup>167</sup> <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenvfru/745/74505.htm>

<sup>168</sup> [http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05\\_en.pdf](http://ec.europa.eu/agriculture/policy-perspectives/policy-briefs/05_en.pdf)

<sup>169</sup> <http://www.david-allen.co.uk/cap-reform-2014>

seems too broad a definition.<sup>170</sup> The point here is that, even if a scheme of this sort is to be successful, it would have to be a real incentive that is targeting a group of people that would feel the benefit of it and view it as a benefit. To give a 39 year old who has been farming for over 20 years is on the face of it nice for them, however, it is not productive – especially if s/he might have to spend more than £1000 on registering or proving themselves to be an “active farmer”. Furthermore, with no incentive over what they actually produce, the consequence is that this is not targeting payments to farmers providing specific goods where they are most needed.<sup>171</sup>

It means that the scheme as it stands should prove a waste of taxpayers’ money in that it is a scheme set up more for the European Commission to be seen to be doing something productive, rather than actually doing something productive. Indeed, as this scheme is an EU-wide one, that because the UK has comparatively fewer farmers than in other countries, the British taxpayer will be providing yet more funds to this scheme than the UK receives.

Liberalised and competitive marketplace:

A third goal of CAP reform was to provide a fair deal for consumers<sup>172</sup>. There is a long-standing belief that the structure of the EU’s CAP needed to be reformed in ways that made the system more competitive to achieve this<sup>173</sup>.

Systemic problems with CAP have always meant that large producers “win” with regards to payments. They are able to move around land at their leisure and the taxpayer’s expense. This is in contrast to smaller farmers that are effectively priced out of producing certain goods at high quality and at competitive prices. It is, of course, beneficial to have large farms producing certain types of food stuffs, but not to the disadvantage of investment and competition.

Because the system stands as an effective “one-size-fits-all” model, with the UK remaining a net contributor while being radically different to the type of food/land production ratios in other countries, the UK has been at a disadvantage. It also means that, in terms of products produced, there have been incentives for some produce over others. The theory is that this will equalise over the EU – that Spain will produce more fruit and vegetables than the UK – and this remains broadly true. However, if small producers wanted to farm certain vegetables in the UK, because of the way the system benefits other producers, they are put at a disadvantage.

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<sup>170</sup> You are, for example, a “young person” who is “not in education or training” if you are between the ages of 18 and 24.

<sup>171</sup> For an argument on this point of targeting see: <http://www.reformthecap.eu/blog/how-can-direct-payments-be-justified-after-2013>

<sup>172</sup> <https://www.gov.uk/government/policies/reforming-the-common-agricultural-policy-to-ensure-a-fair-deal-for-farmers-consumers-and-taxpayers/activity>.

<sup>173</sup> <http://www.iea.org.uk/sites/default/files/publications/files/Liberating%20farming%20from%20the%20CAP.pdf>

Also, the consumer is put at a disadvantage, not just by the fact that the way the system is structured strikes out the potential for meaningful competition for farmers in certain areas (geographical) to produce higher quality produce, but also because other mechanisms across the EU, such as the Customs Union raises the price of products coming into the UK.<sup>174</sup>

The increased prices are still act as deterrent for producers in other countries (outside EU) from selling their produce in the EU and, because of the lack of competition other producers inside the EU are able to increase their prices accordingly.

One example of this is Spanish fruit and vegetables, which had export growth to the UK of +7% in 2012. Other factors such as established supply chains and the devaluation of the euro helped this, however, because of other factors outside the CAP but within the EU, food chains and relationships between importers and consumers are harmed.

In doing so the UK is exposed to a market where producers within the EU are able to define much more what is available to the UK consumer than if we were to operate at world prices. Of course, world prices for some food stuffs have increased over recent years; however, if the UK were able to be integrated into the world market, there are opportunities for greater savings and choice for the consumer as competition is increased.

What's an alternative?

Of course, the question is: how can UK farmers compete? In his book "Ten Years On", Dr Lee Rotherham suggested keeping the CAP allowances for 10 years or so, to allow Parliament the opportunity to reform the system. This may be a good idea on the face of it if the priority was to allow for farmer security in the short-term, however, if the focus was competition, innovation and consumer choice then a model such as the New Zealand would be preferable in the long-run. The benefits of the New Zealand model are illustrated in Rickard's study for the IEA.<sup>175</sup>

There are also numerous examples of how New Zealand farmers have learnt to adapt and react to changing international prices and demand as well as their own domestic market. The best example is the dairy industry - strong international demand and favourable milk solid prices prompted increased investment in New Zealand - which saw multiple farms converting to dairy grazing and away from now less profitable sheep/pigs etc. This resulted in a 23% increase in the dairy herd from 2007 to 2012 as a response to changing market conditions and allowed New Zealand to take more advantage of higher world prices for a specific product. In contrast, the UK has seen a consistently decreasing dairy herd size since the 1990s, regardless of what the international price/demand has been doing.

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<sup>174</sup> See data produced by Global Britain, Global Vision and other groups

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<http://www.iea.org.uk/sites/default/files/publications/files/Liberating%20farming%20from%20the%20CAP.pdf>

In a similar vein, increased international grain prices, alongside increased domestic demand for stock feed for the increasing dairy herd size, saw the total harvested area (hectares) for wheat and barley in New Zealand increase by 35% and 28% respectively between 2007-2012. Whereas arable land devoted to barley has consistently fallen in the UK with that devoted to wheat remaining largely stable. UK arable farming seems to show no response to changing market conditions either internationally, or to potential demand changes domestically within the UK for stock feed etc.

It appears that the UK's agriculture sector is not very flexible as New Zealand's evidently is. They do not respond to changing market forces because to change their production in response to changes in international demand/prices/etc requires so much bureaucracy through CAP that the farmer simply keeps farming what he has always farmed. This does not lead to a responsive and adaptable marketplace – especially as the same is true across the European Union and the effects of this is a less open, innovative and free marketplace.

This means that New Zealand farmers, consumers and taxpayers are in a far more preferable position in many ways than in the UK for long term food standards, prices and choice.

## The Wildlife Trusts

### Introduction

There are 47 individual Wildlife Trusts across the UK including 37 Wildlife Trusts in England, six in Wales, the Scottish Wildlife Trust and the Ulster Wildlife Trust. Collectively, we have more than 800,000 members and our shared vision is to create *A Living Landscape* and secure *Living Seas*.

*A Living Landscape* is a recovery plan for nature, championed by The Wildlife Trusts since 2006 to help create a resilient and healthy environment, rich in wildlife and to provide ecological security for people. In *A Living Landscape*, habitats are restored and reconnected on a large scale with the local community closely engaged. Across the UK there are now 150 Living Landscape schemes covering an area of nearly 1.7 million hectares. The schemes are being delivered in partnership with a huge number of individuals and organisations including Statutory Nature Conservation Bodies (SNCBs), farmers and landowners, water companies, land-based industries, local authorities, other NGOs, local communities and volunteers.

Agriculture policy is of critical concern to The Wildlife Trusts and our ambition to work in partnership to create a Living Landscape across the UK. The Wildlife Trusts believe that the Common Agricultural Policy is in need of radical reform and that the recent round of CAP negotiations and the challenges faced during implementation within the UK provide clear evidence of the policy's failure to protect and enhance

the environment that both underpins sustainable farming and food production and provides society with a wide range of essential public goods and services.

## **Q1. Should the EU have competence for agriculture and plant health?**

1.1 The Wildlife Trusts believe that the EU should continue to have competence for agriculture but that the Common Agricultural Policy needs to be radically reformed to ensure the development of sustainable farming systems that protect and enhance public goods. European competence for a policy for sustainable farming/sustainable land management is necessary because of the longer view that Europe is able to take, its greater constancy compared with Member State Governments, the parallel key European policies with which coherence is essential (e.g. Water Framework Directive), and the fact that the biodiversity of the UK, despite our island status, is connected to that of mainland Europe. A more radically reformed policy could effectively increase the stability of farm businesses with a clear link of public payments to farmers for delivery of public goods. The development of sustainable farming systems is also best fostered at European level because there is a basis on which to build in relation to the current CAP Pillar 2 Rural Development measures and the greening principle established in Pillar I of the 2014-2020 CAP. There are also some relevant existing support mechanisms such as the European Innovation Partnership for agricultural productivity and sustainability.

1.2 The Wildlife Trusts believe that the EU should continue to have competence for plant health. Plant pests and pathogens do not respect national jurisdictions, so it is appropriate and necessary to set plant health policy at the European level and above. The international trade in plants and plant materials, between Member States and outside the EU, represents the greatest risk to plant health and there is a need for strengthened biosecurity standards and regulations at the EU level to minimise this risk, as well as common strategies for best practice containment and control.

1.3 However, even with the highest level of biosecurity it will be impossible to entirely prevent the spread of disease and some pathogens will find their way to the UK by natural means. The most sustainable long-term strategy for managing tree health is to protect and enhance the natural genetic diversity within tree species to develop resilient populations. A rich and diverse environment with extensive, joined-up habitats is more likely to support plants and trees that are genetically diverse, and so able to breed natural resistance to pests and diseases. The Wildlife Trusts therefore advocate Government investment in creating and restoring ecologically diverse habitats that can survive and adapt in the face of an increasing range of pressures.

## **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

2.1 There is clear evidence that the European Common Agricultural Policy and its implementation in the UK does not provide the extent of protection and benefit to the

UK's natural environment that is needed to reverse ecosystem decline and support sustainable farming and food production in the future.

2.2 The EU approach to agriculture needs radical reform and the time has come to replace the Common Agricultural Policy with a Europe-wide sustainable farming/sustainable land management policy. This new policy and associated delivery framework would support farmers and land managers to deliver a wide range of ecosystem goods and services in an effective way.

2.3 Previous rounds of the CAP have promoted intensification of agriculture and have led to a substantial decline in farmland biodiversity<sup>176</sup>. As over 70% of land in the UK is used for agriculture the CAP strongly influences delivery of European and UK biodiversity targets. In England, for example, where 76% of land is used for agriculture, the CAP 2014-2020 and how it is implemented will specifically influence delivery of the ambitions for ecological restoration set out in the Lawton Review (Making Space for Nature)<sup>177</sup> and the Natural Environment White Paper for England<sup>178</sup>.

2.4 The Wildlife Trusts held out a degree of hope that the 2014-2020 CAP would be reformed to ensure that ecosystem decline is reversed, not deepened. We believed that it had the potential to signal a genuine shift towards a policy for sustainable farming and land management. Our ambition was to see a new CAP that aimed to embed the environment in agricultural activities and recognize that farming delivers public goods and services other than food, which need supporting and enhancing through appropriate policy and financial frameworks.

2.5 The evidence relating to why this shift towards more sustainable farming and sustainable land management is needed is extensive. Agriculture relies on ecosystem service flows from nature, for example relating to water cycling, soil structure and fertility and nutrient cycling. Pollinators that depend on land managed extensively or land managed with wildlife in mind, can increase yields, and wild species play an important role in controlling 'pest' species, reducing the need for pesticides. Ecosystems purify and regulate the supply of inflowing water, which in turn can improve plant growth.<sup>179</sup> In the light of this kind of evidence it is important to avoid separating food production from the protection and restoration of the ecosystems on which our 'food security' depends.

2.6 Farmers are responsible for protecting and enhancing a range of public goods and services- for example flood management, water quality, carbon storage, important landscapes and biodiversity. These in turn are strongly linked to the health and well being of communities and individuals. The UK National Ecosystem Assessment concluded that agriculture needs to '*better provide ecosystem services*

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<sup>176</sup> Baldock *et al.* 2002; EEA 2009)

<sup>177</sup> Lawton, J.H. et al (2010) *Making Space for Nature: a review of England's wildlife sites and ecological network.*

<sup>178</sup> HM Government (2011), *The Natural Choice: securing the value of nature*

<sup>179</sup> UK National Ecosystem Assessment (2011), *The UK National Ecosystem Assessment* p1344

*other than production*<sup>180</sup>. There are many examples of farmers' role in protecting and delivering ecosystem services.

**Example: Farming and ecosystems services, Devon**

The landscapes of Devon bring in £2 billion to the economy through their contribution to tourism. Work with farmers in Devon is showing that re creating wetlands so that our water resources can be better managed is hugely cost effective and provides income for farm businesses. Devon Wildlife Trust is working in partnership with South West Water to reduce soil erosion and improve water quality in the catchments of the three principal rivers (Torrige, Taw and Tamar). Areas of restored Culm grassland in the river valleys, where it's particularly steep and difficult to farm, act as natural filters to capture soil particles and nutrients from fertilisers before they reach rivers and reservoirs. Farmers make significant savings on fertiliser, farming in these areas becomes less intensive and a clean water supply is more secure, reducing the need for expensive chemical filtration.

A study carried out by the University of Exeter in association with the Trust and the Environment Agency, has shown the value of species rich grasslands compared with improved grasslands. One of the study sites is on private farmland near Devon Wildlife Trust's Meshaw Moor nature reserve. Water level recorders were set up in adjacent fields. On one side of the hedge the species rich 'Culm' grassland remains, but on the other, less than 10m away, the land has been drained and has three silage cuts a year. A metre of the well drained 'improved' pasture holds 47 litres of water. On the other side of the bank, the pristine Culm is holding a massive 269 litres per square metre. If a large part of the river catchment was Culm grassland, the extra water stored would reduce the flood risks downstream and then during long dry spells, this more gradual release of water would keep the rivers alive.

These benefits to the landscape and resource protection have chiefly been delivered through careful targeting of the small amount of CAP subsidies that go towards Pillar 2 with additional support provided to the Trust via South West Water in relation to water resource protection projects. These kind of measures work, but there is simply not enough funding to deliver such benefits more extensively. In the next seven years of the CAP, the UK will receive £17.8 billion in Pillar 1 for direct support for farmers and just £1.84 billion to spend in Pillar 2 on the environment and rural development

2.7 In our campaigning running up to the EU decision on the 2014-2020 CAP reform proposals we argued that public subsidy for farmers needs to acknowledge the

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<sup>180</sup> UK National Ecosystem Assessment (2011), The UK National Ecosystem Assessment p199



contributions that farmers make to wider society, through the public goods, in addition to food, that they provide.

2.8 The Wildlife Trusts have a particular concern that the CAP offers little if anything to support the continuation and extension of the more marginal high nature value farming systems that are critical for protection and enhancement of biodiversity and wider ecosystem benefits.

2.9 There is clear evidence to show that agricultural production is reaching unsustainable limits in large parts of Europe. In relation to water scarcity for example, 80% of total water use goes to agriculture in France, Greece, Italy, Portugal and Spain. In terms of biodiversity loss due to agricultural activities data strongly suggests that in the prime food production countries like the UK, agriculture as currently practiced is unsustainable<sup>181</sup>.

2.10 Thus the real need is to protect and restore the natural resources on which food production across Europe depends: soils, water and the land and habitats that support pollinators, provide protection for livestock and crops and enable the production of healthy food. The key priority should be the development of sustainable farming systems across Europe. Achieving this would provide benefits in terms of the UK national interest: providing a healthy natural environment to support wildlife and food production and delivering health and social benefits for UK citizens (whom, it should be noted, also commonly derive economic, cultural and social benefit from European countries beyond the UK).

2.11 Hence we believe that the emphasis of any review of European approaches in relation to agriculture should focus on policy and not process. This review should take account of how a reformed policy could better serve the national interest and should explore the constraints to its achievement. It is important to explore further why reforming the CAP to enhance delivery for the environment that underpins sustainable farming is so difficult and to consider whether this is a matter of governance or whether other factors are operating.

2.12 It is clear that the reform of the CAP 2014-2020 did not succeed in serving the UK's national interest nor the interests of EU citizens. As the EU agricultural bulletin, *Agra Europe* has observed, it does not continue in the vein of the Fisher reforms ten years ago which reduced direct subsidies for specific crops and increased rural development funding. The new CAP "*preserves and reinforces all the essential elements of the existing CAP, not only halting the trend towards liberalisation which was beginning to take hold in the mid-2000s - but putting it, in some aspects, into reverse*".

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[http://www.europarl.europa.eu/stoa/webdav/site/cms/shared/2\\_events/workshops/2013/20131204/1%20Slides%20David%20Baldock.pdf](http://www.europarl.europa.eu/stoa/webdav/site/cms/shared/2_events/workshops/2013/20131204/1%20Slides%20David%20Baldock.pdf)

2.13 It is also clear that this failure, that was arrived at through a myriad of compromises, occurred within the context of an ambition for change on the part of EC officials and the UK Government. The latter took the view that rewarding farmers for the environmental goods which they provide is a much better use of taxpayers' money than providing income support. Hence whilst there was much to support in relation to the principles and sentiments espoused during this round of reform, the CAP has failed to deliver such a change.

2.14 Our perception is that there are three key factors constraining reform. Firstly, as we saw in the CAP 2014-2020 proposals, some of the details of the measures proposed are not robust or pragmatic i.e. they indicate poor policy making.

**Example: poor policy making**

As an example of poor policy making, anecdotal evidence from England suggests that an increase in the ploughing of permanent grassland and applications to intensify or plough out grassland under the EIA regulations in the last few years was driven by the threat of new restrictions on permanent pasture in the CAP reform proposals and continued uncertainty about their implementation (along with high prices for cereals). The draft EU proposals released in 2011 suggested a 2014 baseline. A baseline set in the past would not have triggered the increase in ploughing that followed.

We understand that data collated by Natural England (as yet unpublished) shows that applications to intensify or plough out grassland under the EIA Regulations showed a marked increase from 2010 onwards.

Moreover the permanent grassland proposal focuses on maintaining grassland area, rather than protecting or enhancing its ecological quality and the measure does nothing specific to protect semi-natural grassland as it does not distinguish between improved intensively managed grassland and semi natural grassland. There is Member State flexibility in terms of improving this measure, but achieving improvement and halting further losses at this level appears to be fraught with technical and legal difficulties as we are currently discovering.

2.15 Secondly, although the introduction of co-decision making during the CAP 2014-2020 process was a welcome development, we suggest that MEPs were not necessarily able to make informed decisions, as some of the contradictory voting in the EU Parliament illustrated. In addition, the complexity of the decision making process and the highly politicised nature of the debate made a series of messy compromises somewhat inevitable.

2.16 Thirdly, the extent of resistance to change within large parts of the farming sector is a significant constraint in reforming the CAP to ensure it is fit for purpose.

The vested interests of the larger agri-businesses and their representative organisations predominate, making it very difficult for this policy to work positively for the environment and the long term future of farming.

**Example: resistance to change**

As an example of how farming industry organisations have worked to resist change, in England, the President of the National Farmers Union made it clear in a recent speech (Oxford Farming Conference, January 2014) that he wishes to see a re-focusing of the CAP on the original aims relating to increasing agricultural production. Mr Kendall argues that the CAP should “*not featherbed farmers or look after the environment*”. In England we believe that lobbying by the NFU at the highest level led Government to abandon its stated commitment to transfer the maximum allowed (15%) from Pillar 1 to Pillar 2 in order to support rural development. It is clear that senior politicians failed to unite around the position developed by its Defra Ministers on inter-pillar transfer because of intense lobbying of senior politicians by farming industry representatives.

2.17 To summarise therefore this Balance of Competences review should consider how a different European approach to agriculture might benefit the UK and should address the constraints to change, both in terms of European policy and decision making and the influence of elements of the farming sector that are so resistant to change.

**Q3. Do you think the UK’s ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

We cannot offer specific evidence or examples in relation to a competitive food and farming sector, but as we outline above evidence suggests that farming in prime agricultural areas in Europe is becoming unsustainable, a factor that poses a long-term risk to a competitive food and farming sector.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

4.1 The risks to UK biosecurity resulting from the free trade in plant products are significant and should not be underestimated. In some cases, the risks will outweigh the benefits of free trade. The globalisation of the plant trade and sheer volume of material being transported has sped up the rate of disease spread and introduced non-native pests and pathogens to UK woodlands. The repeated ‘shocks’ to forest ecosystems exposed to multiple new threats over a short period of time are particularly dangerous, not only for the tree species in question but also for the wildlife that is dependent upon them. The ecological impacts could be severe and complex, affecting the delivery of vital ecosystem services and other public benefits.

As such, EU plant health regulations should not be viewed as an unnecessary burden to UK trade but as a vital measure to protect our natural environment.

4.2 There is a need for strengthened biosecurity measures in the UK and throughout Europe, including restrictions on the import of plant material originating from areas where a pest or disease is known to be prevalent. The tighter controls on the import of oak, ash and plane to the UK are welcome, although possibly too late in the case of ash. This highlights the importance of effective communication, both nationally and between Member States. The creation of a national risk register in the UK will help to achieve this by identifying and prioritising the greatest plant health threats and providing advice and warnings to enable effective action to be taken.

**Q5. What evidence is there that current competence over forestry policy:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

Implementation of UK forestry policy is heavily reliant on European funding and the short term nature of each CAP/RDP cycle, coupled with uncertainty surrounding future budgets and land management schemes, does not work well with the long-term nature of forestry and woodland management.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

6.1 A degree of Member State flexibility in implementation of European policies is necessary, but CAP 2014-2020 has illustrated that this is difficult to achieve in relation to this policy. Such difficulties appear in part to emanate from the complexity and lack of clarity surrounding the European rules and guidance that permit this. As we have seen recently, for example, Defra civil servants sought clarity on a simple phrase relating to the Permanent Grassland Greening measure which stated: "*Member States shall designate permanent grasslands which are environmentally sensitive in areas covered by Directives 92/43/EEC or 2009/147/EEC including peat and wetlands situated in these areas...*". Both Defra and organisations such as The Wildlife Trusts had taken this to suggest a requirement in relation to this measure, but in fact advice sought from the EC by Defra clarified that this was an option rather than a requirement. This is a small example of a bigger problem relating to complex bureaucracy and cumbersome processes that we agree need to be streamlined and improved.

6.2 In England it has also become clear that Member State flexibility is constrained by legalities, fears of disallowance and the de regulation agenda. This is illustrated by the agreements and decisions made relating to the Greening of a percentage of Pillar 1 payments.

**Example: Decision making processes related to greening of the CAP**

Though the principle of greening was established during CAP 2014-2020 the original measures were seriously weakened. Of particular concern was the extent to which the measure that had most environmental potential – that of Ecological Focus Areas (EFA) – was weakened. We argued that the percentage of an arable farm that should be identified for nature should be 10%; that only areas of land that provide clear environmental benefits should be included and that no farmers should be exempt. After intense negotiations, the final agreement set the percentage at 5% possibly rising to 7% following a 2017 review. Crop areas can be included in EFAs and a large number of farmers will be exempt, meaning that at least 30% of all EU farms will not be required to implement this measure. The one hope that emerged from this unsatisfactory outcome was an agreement to give Member States flexibility in implementation of Greening – an agreement which we believe was secured by the UK. It is ironic therefore that, in England, Government has made a decision to stick to the basic EU measures rather than to implement greening through a National Certification Scheme or via equivalent measures. We believe that the Rural Payments Agency is effectively acting as a brake on enhancing greening measures due to its insistence on simplification, and the Government's de regulation agenda may constrain the adoption of more effective greening measures.

6.3 We have also seen the risks attached to domestic decision making processes linked to the CAP where procedures are unclear or not followed correctly.

**Example: Risks relating to domestic decision making processes**

The Agriculture Minister for Northern Ireland made a decision to transfer 7% of Pillar 1 funds to Pillar 2 to support the country's rural development programme. The decision was challenged in the high court by the Finance Minister and the Lord Chief Justice ruled that the Agriculture Minister had broken the ministerial code by not consulting the Executive on the transfer. Thus the transfer was defaulted to 0%, resulting in a serious reduction of funding for agri environment schemes in the country.

6.4 Hence whilst we believe that action needs to be taken at European level and nationally and regionally, the cumbersome and complex processes which support the CAP need streamlining. Only a fundamental reform of the CAP which can remove the tensions that caused so many difficulties and delays can bring this kind of more effective change.

6.5 In relation to plant health, it is important to ensure that UK decision-making processes are as fast, efficient and effective as possible – e.g. the Government was slow to react over ash dieback and hindered by EU restrictions and

uncertain/incomplete science. It is vital to always take a precautionary approach and take urgent action if necessary, in order to avoid potentially severe consequences.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

**ii) disadvantages the UK national interest?**

7.1 For the first time the CAP was subject to co decision by the European Parliament which we believe was a positive step forward. However the complexities of this policy and the related negotiations clearly posed a challenge for MEPs. More than 40 “trilogue” discussions took place between the Council, Commission and Parliament between April and June 2013 with political agreement reached in June 2013. We believe that the interests of the natural environment that supports sustainable agriculture were poorly served during this process due largely to the lack of coherent working between the EU agriculture and environment committees and, that fact that decisions on highly complex issues appeared to have sometimes been taken in ignorance of their implications. During our lobbying of MEPs in the run up to the EU Parliament voting in March 2013, we discovered that many UK MEPs were poorly informed on the CAP. They were very prone to being influenced by powerful vested interests as a consequence (i.e. the farming industry and their representative organisations) and did not always perceive or understand the relationship between agriculture and nature. Overall, the politicisation of the CAP hindered objective debate on critical issues relating to agriculture and the environment. And as the Institute for European Environmental Policy has observed, the environment elements of the agreement suffered from the political compromises with “too many deals at the expense of the environment”, “short term thinking and vested interests”<sup>182</sup>.

7.2 However, this is also the case at domestic level as we saw during discussions about the extent of inter-pillar transfer in England.

7.3 The fundamental problem lies in the denial of the scale of the unsustainability of the farming sector in parts of Europe and the vested interests that constrain change i.e. the degree to which powerful lobbyists influence the political process.

7.4 Regarding plant health, EU-level decision making is often slow and can be a barrier to Member States taking appropriate and timely action. Equally, there is a need to ensure that our own (UK) decision-making process is as fast, efficient and effective as possible. In the case of ash dieback, the speed of the Government’s response was hindered on both levels. It is vital that a precautionary approach is taken at the EU and UK level to enable urgent and appropriate action to be taken, based on the best available scientific evidence - recognising that the evidence may

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<sup>182</sup> IEEP, Environment undermined in CAP deal, 26 June 2013

not be complete - in order to avoid potentially severe consequences for our natural environment.

**Example: Ash dieback throughout the island of Ireland**

The first case of ash dieback (*Chalara fraxinea*) in the UK was documented in England in February 2012. However, legislation restricting the import of ash trees from high risk areas was not implemented until 26<sup>th</sup> October 2012. In tandem with the announcement of this legislation, the Irish Government announced plans for the Republic of Ireland to adopt similar measures. This was further strengthened on 6<sup>th</sup> November 2012 with the introduction of a Ministerial order restricting the import of ash plants, seed and wood from areas known to have ash dieback present. This enforced the need to demonstrate the wood was free from disease before entry into both the province of Northern Ireland and the Republic of Ireland.

However, the basis of statutory action was not actually implemented until the 'All-Ireland Chalara Control Strategy' was published on 9<sup>th</sup> July 2013 - a full 17 months after the first case of ash dieback was found in the UK. The ethos of legislation such as plant health must be implemented not just to control outbreaks, but to prevent them. Ash dieback is a disease that was well known for its impacts on the continent. Horizon scanning to fulfill the spirit of legislation should play a much wider role for Member States. This was an example of not one but two Member States caught out by ash dieback despite a widespread recognition of the pathogen across the rest of Europe.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

We are not qualified to answer.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?** Not Answered

**ii. How could they be improved?** We are not qualified to answer

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

We are not qualified to answer but refer to our points regarding the need to create sustainable farming systems in Europe in 2 above.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?** We are not qualified to answer .

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

12.1 During the latest round of CAP reform the UK Government suggested the need for a broad direction of travel which in principle we supported ie. an ambition to move away from direct payments to farmers towards payments linked to delivery of environmental public goods. However, both the lobbying by vested interests and the complexity of the rules and process attached to the CAP severely constrained this ambition.

12.2 The failure of Defra to deliver its commitment to maximum modulation from Pillar 1 to Pillar 2 epitomises this and illustrates the tensions between a policy that was trying in part to support the delivery of public benefits from public money, and an historic delivery framework designed for farming and food production alone. As highlighted in Agra Europe, there is clear tension in relation to the direct payment made to farmers and a lack of agreement and clarity about what this payment is for. *“Is it an income support? Is it a payment from society to the agricultural community for environmental services rendered? Or is it a simple 'entitlement' for those privileged enough to hold them whose existence needs no further examination? Nearly two years of debate over the details of the new aid schemes have brought us no closer to a coherent answer to those questions”* <sup>183</sup>

12.3 The outcomes of the 2014-2020 reforms and the difficulties in implementation at Member State level have clearly exposed just why the current policy framework is not fit for the times. The current framework was established after the war, when infrastructure across the continent lay in ruins and people had been living with food rationing, or worse, for years. The problems we face now are not the same. We live in a small, crowded island and our total demands on land are several times greater than the amount of land available. Food security is important, but so are a host of other things, not least maintaining an environment that we want to live in and that itself underpins food production.

12.4 Yet as a consequence of the decisions that have recently been made for the CAP 2014-2020, farmers will continue to be supported by taxpayers' money to farm in ways which damage ecosystems and their goods and services. The mechanisms for supporting farmers to protect and restore ecosystems are woefully inadequate

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<sup>183</sup> Agra Europe Analysis: CAP deal is one step forward, two steps back, Agra Europe, 27 June 2013



and the de regulation agenda in England has the potential to exacerbate ecosystem damage domestically. As we have shown above, attempts to green the CAP during 2014-2020 – either by attaching stronger environmental conditions to direct payments or providing greater support for farm environment schemes- were met with fierce resistance by powerful industry lobbyists at European and Member State level.

12.5 The EC did succeed in establishing the **principle** of greening an element of the direct payments made to farmers and the ambitions set out by the EC were welcome – for example: “*Farmers, who are together with foresters, the main land managers, will need to be supported in adopting and maintaining farming systems and practices that are particularly favourable to environmental and climate objectives because market prices do not reflect the provision of public goods*”<sup>184</sup>. However the words and principles set out by the Commission were not supported by effective policy measures and the politicisation of the debates at European and Member State resulted in a weakening of the principles of greening and effective abandonment of attempts to transform the CAP into a more a sustainable farming and land management policy.

12.6 It is well documented that the greening measures proposed were flawed and that the positive aspects of those measures were significantly weakened in discussions with the result that 47% of EU farmland (or 89% of farmers across Europe) will not have to identify Ecological Focus Areas and 26.4% of agricultural land will not support meaningful crop diversification.<sup>185</sup> Where there is flexibility to improve on these inadequate basic measures, the possibility of Member States enhancing additional measures is extremely remote, for example to designate specific areas of environmentally sensitive grassland (an option offered by the regulations)-domestic legislation would be required.

12.7 The final deal also saw Cross compliance requirements weakened, with elements of the Birds & Habitats Directives removed and a rejection of proposals to include new environmental requirements such as the Sustainable Use of Pesticides and the Water Framework Directives and measures to protect wetlands and carbon rich soils.

12.8 Taken together with the un balanced nature of the budget cuts (In the UK, Rural Development funds were cut by 5.5%, over twice the cuts applied to Pillar I Direct Payments) this demonstrates just how little support and credibility a public goods delivery approach to the CAP gained.

12.9 We suggest that, unless significant changes are made to the CAP during the mid-term review, there is no prospect of CAP 2014-2020 reversing the declines in farmland biodiversity and halting un sustainable farming practices in Europe. There is little hope that, over the next decade, farming will better deliver the ecosystem

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<sup>184</sup> EC Proposal for a regulation of the European Parliament and of the Council p3

<sup>185</sup> <http://www.eeb.org/?LinkServID=94EC1EC1-5056-B741-DBB2C8DACE0EC112&showMeta=0&aa>

services that underpin sustainable food production. We expect therefore, to see environmental pressures increase across Europe during the next 7-10 years.

12.10 In relation to Rural Development in particular, we are aware that calls have been made by the NFU (Peter Kendall, Oxford Farming Conference) for a reform of the CAP that abandons the environmental support at European level and concentrates on the aim of increasing agricultural productivity. This kind of narrative for are focusing solely on agricultural production not only represents a resistance to the real change needed, it shamelessly exploits concerns about food security in a way which masks the real driver of perceived market opportunities. Evidence suggests that food production does need to rise- but the need for increased production is currently in poorer countries such as South Africa and Asia.

12.11 We do not believe that taxpayers will accept the allocation of their hard earned money to directly support businesses whose activity is not in any way linked to public goods provision and protection of the environment. Peter Kendall has questioned why a European Rural Development Policy is needed, yet this is exactly the element of the CAP that should be extended in a shift away from direct support which has few environmental conditions attached, towards support for those farmers who do most to protect and support the environment, delivering key public goods and services as well as producing food sustainably.

12.12 We believe that it is important to recognise that the world has moved to such a degree since the Treaty of Rome was agreed in 1958 that the aims of the CAP as set out in the Treaty are no longer fit for purpose. Article 33 of the EC Treaty states that the internal objectives of the CAP are:

- to increase agricultural productivity by promoting technical progress and ensuring the optimum use of the factors of production, in particular labour;
- to ensure a fair standard of living for farmers;
- to stabilise markets;
- to assure the availability of supplies;
- to ensure reasonable prices for consumers.

As long as this is a policy that is historically, even if tenuously, linked to the Treaty of Rome, key influencers will continue to deny the importance of the relationships between agriculture and nature and the reform that needs to happen will always stall.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

13.1 The environmental pressures that are caused by and impact upon agriculture must be addressed and are likely to increase if action is not taken to shift towards more sustainable farming systems. Water scarcity, extreme rainfall events and flooding, wetter winters, decline in pollinators, soil damage and erosion pose huge

challenges. There are clear reasons why agriculture should remain an EU competency in relation to climate change. Green House Gas Emissions from agriculture account for 10% of emissions in Europe, but are expected to increase by 2050 – measures to address these emissions must be taken at European level.

13.2 Repairing the damage to ecosystems must be a key priority and this has to be achieved by a mix of European and domestic regulation, and incentives through payments for ecosystem services. The latter can be delivered both through the CAP and domestic initiatives – for example direct payments to farmers by water companies.

13.3 There are huge challenges in developing a policy framework that is fit for tackling these pressures, but the biggest challenge is securing agreement that a new policy framework is needed. The Wildlife Trusts believe that a combination of a new Europe-wide sustainable farming/sustainable land management policy and new policy and legislative frameworks for nature within the UK are now needed. Governments in the UK must show clear leadership and the farming sector must play its part in achieving this change.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

14.1 Governments must take their responsibilities in protecting and restoring biodiversity seriously- there are international, European and domestic targets and outcomes which, given that the state of nature provides an indication of the health of the land on which farming relies, should be a much higher priority. Action is needed at all three levels, but the policies and processes to support such action must be significantly altered. Achieving the kind of radical change that we set out above will almost certainly require a change in values and attitudes- something which the current political and economic climate does not particularly foster.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

15.1 As mentioned briefly above, the Balance of Competences Review is severely constrained by its failure to address how a reformed policy could better benefit UK interests. Perversely it is also hindered by its UK focus, which fails to recognise that the state of the natural environment in other European countries impacts on the UK – for example in relation to climate change and biodiversity. This inward looking focus and the assumptions made that the key factor is changing governance rather than changing policy, is fundamentally flawed.

15.2 We are in no doubt that radical reform of the CAP is needed. The CAP and its anachronistic structures need to be replaced with a European policy for sustainable farming/sustainable land management. Farmers should continue to be supported through public subsidies, but a new policy framework is needed that properly embeds the environment in agricultural activities.

## Tilbury, Stuart

### **Q1. Should the EU have competence for agriculture and plant health?**

I don't think that the EU should make decisions about Plant Reproductive Material (seeds) intended for gardeners.

Agriculture in the UK is a major business, whereas individual citizens' gardens and allotments are a completely different matter, and should not require strict EU-level regulation.

I am an enthusiastic home-grower who enjoys growing many 'heirloom' vegetable varieties. Under these proposals, smaller independent seed suppliers will be forced to discontinue such rarer varieties due to the economic inviability of testing each one.

**Q2. - Q15.** Not answered

## Tozer Seeds Ltd.

### **Q1. Should the EU have competence for agriculture and plant health?**

Yes, to create a level playing field, especially in the area of exports. We need the regulations, if we have to be regulated, set out as Regulations and not as a Directive which allows for too much interpretation and variation.

Tozer Seeds is an exporting company who have to compete with large multinational companies based in Europe. We export within Europe and to 3rd countries."

### **Q2. What evidence is there that the EU approach to agriculture:**

#### **i) benefits the UK national interest?**

In the case of PRM, seeds and plant health of seeds, the EU approach is neither beneficial nor detrimental, especially if the rules are determined as a 'Regulation' and not a 'Directive'. The over regulation of the vegetable seeds industry adds unnecessary costs and fees but it is more or less the same across the EU.

#### **ii) disadvantages the UK national interest?**

No disadvantage is perceived for PRM of vegetable seeds and their health. The EU will ultimately present a level playing field.

### **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

The UK already has a very competitive Food and farming sector. Any increase in regulation will increase costs directly or indirectly through suppliers.

The Status quo should be maintained.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

As far as vegetable seeds are concerned most pests and diseases are present as seeds have been traded worldwide for generations. There will always be a risk of new exotic pests and diseases arriving but if they are unknown they will arrive easily as they will not be detectable.

**Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

No proposals are being made as to how the UK national interest might be served by a different governance scheme. It is a proposal of pie in the sky and we need concrete proposals to have a viable business environment. No benefit seen.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest? None, but it is same for competitors.**

**ii) disadvantages the UK national interest?**

None, but it is the same for our competitors.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

The UK trade in Vegetable PRM outside the EU is neither helped nor hindered by EU trade agreements.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Under current legislation there is a fairly good balance between the needs of the professional and the amateur in vegetable PRM. However the professional side of the industry is customer led so that standards are well above legal norms and consumer protection legislation and legal threats ensures the industry standards are maintained. As a result current legislation is just a financial burden. The vegetable PRM should be controlled in the same way as the ornamental PRM and virtually excluded from the proposed legislation. In the 21st century we are not concerned with preventing starvation as in the previous century but with offering variety to the consumer. There is a danger that this level of choice for the consumer will be lost under current plans.

**ii) How could current arrangements be improved?**

Vegetable PRM could be removed from the scope of the developing legislation. That would make for a more open market.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

In the competitive Vegetable PRM market adherence to common standards helps our company in exporting to other member states. There is no requirement for Phytosanitary certificates for trade within the community and we can compete with our European competitors satisfactorily. However, with trade to 3rd countries we are at a disadvantage compared to our EU competitors as it can take us up to 3 weeks to obtain necessary phytosanitary certificates to effect an export. Whilst for our competitors they can obtain certificates within 3 - 4 days, sometimes the same day. On occasion we have shipped seed to Holland to obtain the necessary document for an urgent shipment.

**Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

The market is disrupted by the UK not doing the same for its farmers as other EU states do for their farmers. Generally there appears to be a creaming off of funds destined for all farmers to special cases where government has exhausted funds, i.e. for bovine TB costs.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

To ensure a level playing field the competences for Agriculture should remain with the EU. They should be drafted as a regulation and not as a directive.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

If within Europe we are competing equally on the world stage we need equal regulations to effect best efforts in making exports. The UK needs exports and they will not happen with discriminatory secondary legislation.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Without any pointers or proposals as to how the UK would legislate following the repatriation of Competences in Agriculture it is impossible to effectively answer many

of the questions put in this paper. Birds in the hand in Brussels are better than in the hedges of Whitehall. As we have to compete in the area of vegetable PRM with European mainland based multinational businesses we want and need the same access, help and benefits as they receive.

In our view the area of Agriculture is not an area where the UK should seek the return of competence.

## **Transition Town Wandsworth**

### **Q1. Should the EU have competence for agriculture and plant health?**

If the EU wants to continue to make restrictive decisions about seeds intended for gardeners, then I think they should NOT have 'competence for agriculture and plant health'. To treat gardeners of residential, community gardens and allotments the same as big agriculture in the UK (and the rest of the EU) the same, makes no sense as they are completely different sectors, and small scale gardeners don't require the same strict EU-level regulation.

I also am very concerned that, by this legislation, the EU seems to be ignoring how vital and essential biodiversity of seeds are to our future on this planet, even in agriculture. It's incredibly short-sighted and ignorant, and I hope you will be able to do something to stop this.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

**ii)disadvantages the UK national interest?**

Ignoring biodiversity of seeds puts our future health at great risk.

**Q3. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

The more options for agriculture, the more potential for innovation and choice for everyone. The fewer options for agriculture could be catastrophic in terms of risk to crop health from a lack of biodiversity.

**Q7. – Q9.** Not answered

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

Risk to biodiversity across the EU. Over emphasis on profit and growth of large scale farming and not balanced with environmental protection for our healthier long term future.

**Q11. – Q12.** Not Answered

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Water.

Lack of biodiversity in seeds.

Overwhelming power of large corporate farming and large restrictive seed companies i.e. Monsanto. Dangerous and short-term thinking

Increase in popularity in gardening, grow your own food, and biodiversity of seeds by consumers.

**Q14.** Not Answered

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

Time and again the wishes of large scale corporate farming and seed companies are put before the rights of individuals, our future health and the sustainability of our planet - to the point where I wonder if the EU or any government has any real power at all!

## **Ulster Farmers' Union**

Thank you for the opportunity to respond to the above consultation. The Ulster Farmers' Union (UFU) is the largest farming organisation in Northern Ireland representing over 11,500 farming families from all areas of Northern Ireland and across all sectors.

The UFU would like to apologise for the delay in submitting our response but we are only now in a position to do so.

Having thoroughly considered this review and having participated in the 'Northern Irish Perspective Workshop' in November, the UFU concurs with and supports the response submitted by the National Farmers' Union (NFU), particularly in relation to the eight main better regulation principles which they have identified.

In our view these principles are even more important for Northern Ireland agriculture given: the greater importance of agriculture to the economy of Northern Ireland; the fact that NI is the only region of the UK that has a land border with another EU Member State; and also that NI has the potential to have very high plant and animal statuses given our island location.



## Unsted, Max

### **Q1. Should the EU have competence for agriculture and plant health?**

No. The EU could regulate large scale farming but should not be allowed to regulate seeds and plants for home garden use which is a completely different sector to the large scale farming that EU rules are designed for. Seeds and plants for home garden use should be regulated by the UK.

**Q2. - Q15.** Not Answered

## Vannozzi, Debbie

### **Q1. Should the EU have competence for agriculture and plant health?**

We feel that the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

## Webster, John

### **Q1. Should the EU have competence for agriculture and plant health?**

No. It is not necessary.

**Q2. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Nationally.

**Q7.** Not Answered

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

UK gardeners should not be regulated by the EU as if they were farmers. They have very different needs: Garden plants and seeds should not be regulated in the same way as cereals and potatoes grown on hundreds of acres.

People's gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q9. – Q15.** Not Answered

## **Weir, Chris**

### **Q1. Should the EU have competence for agriculture and plant health?**

The EU should not have competence for plant reproductive material for the home gardener. This is different from commercial agriculture.

**Q2. – Q15.** Not Answered

## **Welsh Government, Department for Natural Resources and Food**

### **Q1. Should the EU have competence for agriculture and plant health?**

OECD studies indicate that state financial intervention in agriculture is a feature of most significant world economies. All developed countries also have arrangements to regulate non-financial aspects of agriculture and plant health. The question is whether the competence should lie with the UK or the EU.

Competence at EU level gives Wales the benefit of a quality endorsement, whether that is within the EU or further afield. EU standards are generally high and assist our reputation in export markets. It is unrealistic to consider that Wales or the UK could establish commensurate standards without significant cost.

If a common market is to work effectively there must be common rules and regulations. Sometimes there may need to be scope for variation when regulations are transposed into national regulations where agricultural systems differ significantly between Member States (MS) and regions however this should only be permitted after significant consideration to avoid competitive advantages and disadvantages resulting.

Agriculture in Wales benefits from the Common Agricultural Policy, primarily through the financial settlement but also through access to markets. EU Directives enable regulation to be unified in terms of securing transparency in the food chain and promoting high standards of animal health and welfare. This supports the principle of free trading within Europe.

Given the size of the EU market and WTO rules then it is also preferable that Plant Health (including trees) and Plant Reproductive Material be regulated at EU level. Interestingly Switzerland, which is not part of the EU, adopts the same basic protocols on Plant Health and Plant Reproductive Material to allow them unfettered trade within the EU.

Plant Health is currently governed at an EU level, but the regulatory framework does allow for Member State (MS) action where specific Plant Health problems occur. There is currently a review of the regulatory regime which could lead to improvements in the way Plant Health is managed in the EU and a more precautionary approach being adopted. The EU market and WTO rules provide for free trade with the EU and it is therefore important that the requirements the EU set for this trade be at an EU level. For consistency and a single message it is therefore better that Plant Health (including trees) and Plant Reproductive Material is regulated at the EU level.

As with Plant Health, the WTO arrangements governing agriculture and trade more generally are better handled at EU level where there is the advantage of block negotiation.

**Q2. What evidence is there that the EU approach to agriculture:  
i) benefits the UK national interest?**

The UK is a net importer of food and the common market prevents trade barriers being established, enabling a food policy which benefits consumers. Agricultural product exports are an important constituent of UK trade and also important in the Wales context, and our industry benefits from free trade. Production safeguards such as intervention can be made available in extreme market crisis situations. Common regulations on animal and plant health ensure consistent and higher standards of production and husbandry and reduce the disease risk and consequent financial loss to producers.

Pillar 1 of the CAP has played a significant role in securing income for farm businesses. Although we aspire to a domestic industry that has progressively less reliance on such public subsidy we have to recognise that competitor counties, within and outside the EU, still maintain substantial subsidy. Data from the Farm Business Survey highlights consistently that for the majority of sectors in Wales, particularly in the Uplands, have lower farm profitability, due to a lower level of agricultural productivity from the land.

Through the second pillar of the CAP, the wider rural economy and its social fabric is supported. This is particularly beneficial in the Uplands of Wales where there is greater risk of economic and social decline.

Due to the EU approach, agricultural and environmental activity and policy have been drawn together in an integral way. This focus has enabled policy to be developed in a coherent manner benefiting the food supply and the environment. The delivery of these services has had an additional benefit to the wider society demonstrating added value to the tax payer.

**ii) disadvantages the UK national interest?**

At MS level the EU budget is a net financial cost to H.M. Treasury, which has long been a source of debate and criticism, and the associated rebate is equally controversial. However, net cost alone is not the sole measure of benefit. A recent

study by the Department for Business, Innovation & Skills (BIS) for the UK Parliament (September 2013) quoted a 2010 report by BIS that estimated the annual recurring cost/benefit to the UK as a proportion of GDP as 6%, across the UK economy as a whole.

We have carried out reviews of the red tape affecting the agriculture industry and a need to lessen the burden of bureaucracy was highlighted. Whilst some level of bureaucracy is inevitable, the requirements of the CAP are often against the recommendations of these reviews. The underlying benefits of the policies are accepted, since they give us access to large markets, but the means of implementation are sometimes over-specified, which can lead to excess bureaucracy.

Regarding direct financial support to farmers it could be argued that for the farms in the more productive areas of the country this policy has created a reliance on subsidies for the industry and acts as a barrier when trying to move the industry to one of competitiveness. As noted above, however, changes in subsidy structures should be made in full recognition of market interventions in competitor countries.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Current EU intervention and control benefits UK and Wales' food and farming sectors. Wales' most important agriculture and food export markets are in Europe. The absence of import tariffs and export subsidies improves the competitiveness of our industry to sell into these markets. Protected Food Names is a good example where our products such as PGI Welsh Lamb AND Welsh Beef are in demand in Europe and can realise higher prices as a result.

This is not a case of more or less EU action but rather a need to focus the way the overarching CAP is delivered. There is a need to decrease the direct subsidies across land which is capable of high levels of productivity. However it is broadly accepted in the Uplands that this may be difficult to achieve. The principles of CAP are currently a socio economic policy and if the drive were to shift to an economic policy there would need to be significant areas of change in policy direction required across Europe.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

Whether we trade with other MS or outside of the EU there will be biosecurity risks. Effective controls are costly on resources. The benefit of EU regulations is common standards including management of disease risks e.g. Bovine TB.

A single market of the size of the EU can produce a significant influence over third countries in terms of their approach to Plant Health. This coupled to the EU requirements for monitoring and surveillance at borders ensures that risk pathways can be managed. In our view the benefits significantly outweigh the risks.

## **Q5. What evidence is there that current competence over forestry policy:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

Forestry is a Member State competence and there is no provision in the main EU Treaties (the Treaty on European Union and the Treaty on the Functioning of the European Union) for EU competence in relation to forestry. That said, there are a significant number of areas that are relevant to forestry where the EU does have competence. This is because forestry encompasses a broad range of activities that include: commercial growing of trees as a crop; utilising trees to sequester carbon as part of the response to the damaging effects of climate change; biodiversity conservation; and public access and recreation. EU competence in relation to agriculture, environment, climate change, plant health and energy (amongst others) therefore has a bearing on forestry even though “forestry” itself remains a Member State competence.

The effect of the current position on competence in relation to forestry is that the EU is precluded from legislating expressly in relation to forestry as a policy area in its own right. But Member States must act in accordance with European legislation in those areas where the EU does have competence. In practical terms, the mix of competence between the EU and Member States in relation to forestry and those policy areas relevant to forestry has meant that there is not a single coherent framework in place to address forestry issues. The result is that there is a complex and fragmented approach to forestry with the potential to impact negatively on the forestry sector.

### ***Current competence - benefits to the UK national interest***

The EU has developed a new strategy for forestry – “EU Forest Strategy – for forests and the forest based sector” – in response to the increasing demands placed on forests. The strategy seeks to set an agenda for forestry at EU level that recognises the impacts of other EU policy areas on the development of national forest policies. The strategy should encourage a more holistic approach to forestry across the EU and help to address the effects of the fragmented approach to forestry that has developed.

Benefits accruing to the UK from current competence include: -

- EU competence for **agriculture** provides support to forestry and Plant Health activities through the EU Rural Development Regulations.
- Forestry and Plant Health are affected by EU competence on the **environment**. EU legislation in this area has strengthened protection of habitats and species and has recognised, for example, the environmental non-commercial benefits and wider contribution of forestry.
- EU negotiation at an international level on **climate change** is likely to have been more effective than Member States acting independently. EU

competency has raised the importance of forestry as a means to sequester carbon and also as a source of renewable energy.

- EU **energy** policy has set Member States the target to deliver 20% renewable energy by 2020. Forestry has the scope to play a significant role to achieve this target and provides an opportunity to utilise timber from lower value forest that would otherwise be uneconomic to harvest. The use of forestry for energy may also provide an incentive for new planting and woodland expansion.

### ***Current competence – disadvantages to the UK national interest***

As noted, forestry is a cross-cutting area. There is a risk that as areas of EU competency develop, additional burdens will be placed on forestry practice in Member States, particularly in the absence of a single coherent framework for forestry (although the new EU strategy may start to address this issue).

Disadvantages for the UK from current competence include: -

- EU competence for **agriculture** has had the following consequences: -
  - land supported by farming subsidies is often too expensive to be made available for forestry expansion;
  - farm payments for agricultural land can act to deter farmers from planting such land as woodland;
  - support offered for agriculture can lead to a lack of integration between use of land for agriculture and woodland; and
  - Rural Development funding for forestry expansion can be subject to funding gaps between programmes leading to a lack of continuity of forestry business.
- Forestry activity can be constrained by **environmental** regulatory requirements, for example Environmental Impact Assessment of new planting projects and forestry planning requirements of the EU biodiversity strategy.
- In terms of **climate change**, there has been significant interest in developing domestic carbon markets to fund woodland creation in the UK. EU policy has not helped to facilitate this and there is a lack of clarity as to what “Woodland Carbon Units” represent, preventing their use in wider carbon markets.
- Some in the timber processing sector are concerned that incentives for **wood energy** will divert timber with the result that prices will rise, particularly for the poorer grades of wood material that has previously been available at low prices.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

I will not rehearse here the full benefits of devolved Governments operating effectively in support of a strong United Kingdom and a strong EU.

In these specific policy areas, there are legislative and non-legislative considerations and there are tariff and non-tariff actions, with a myriad of potential scenarios.

Given that we are considering policies that affect animal and plant health and agriculture it is clear that we must consider international relations and international trade. If these competences are not to be with the EU then they would have to be taken over by the UK or by Wales. When considering the possibility of negotiating with each individual trading partner, and also with organisations such as the EU, EEU, EFTA, NAFTA, MERCOSUR, WTO, such a burden of negotiation is difficult to comprehend,

A level playing field will be important towards achieving our goals and EU negotiation is more likely to give us the weight to succeed.

In terms of plant health it is difficult to see how it could be managed other than at an EU level. If it were managed at a lower level it would mean a range of requirements for Plant Health within the EU and a confusing picture of Plant Health requirements for third countries. It would hamper trade within the EU and increase costs when compared with the current arrangements as it would be more resource intensive. It could also lead to a less strategic approach being taken on Plant Health issues and a reduction on the amount of information shared and cooperation with other Member States.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest**

**ii) disadvantages the UK national interest?**

There was concern that co-decision would significantly slow down decision making in the EU. CAP Reform was a test case and in the near final analysis co-decision appears to have worked well; the negotiations have not been significantly longer than previous CAP Reform rounds. The European Parliament is actually perceived by many as being more accessible to 'Joe Public;' MEPs can be lobbied at grass roots levels and more democratic decision making is perceived to result.

The recent CAP Reform round involved negotiation between the UK (as MS) and the EC. UK Devolved Administrations do not have a formal part to play in these negotiations but in practice the UK consulted widely and appropriately with the Welsh Government. There were, of course, instances where the four constituent nations did not agree and it was incumbent on the Secretary of State to take a line. There were also occasions when it would have been possible and helpful for one of the Devolved Administration Ministers to have spoken on behalf of the UK and we

have previously made representations for the UK Government to consider this in future negotiations.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?**

There is commonly held opinion that the EU regulates excessively and that the agricultural industry elsewhere operates in a less regulated environment. The reality is that for non-EU countries to trade with the EU they must demonstrate comparable standards to the EU and in some cases more stringent standards (e.g. as reported by Finnish delegation that visited Wales in autumn 2013). As a result, in our view, the UK national interest is not disadvantaged by EU trade agreements. E.g. New Zealand lamb is imported under trade agreements but within quota limits and it typically makes up a shortfall in the domestic market when home production is at a minimum.

Comments made above about the weight given to EU negotiations, compared to those of an individual country, should be considered here. The BIS Report referred to above makes it abundantly clear that the influence of group negotiation cannot be underestimated.

**Considering the single Common Market Organisation:**

**Q9. i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

**ii) How could they be improved?**

EU action on the free movement of services has brought benefits in relation to the availability of labour. Many of the larger food businesses and SMEs in Wales utilise overseas immigrant labour to make up a shortfall in indigenous labour resources. For example Dunbia in rural West Wales is a major processor of lamb (and beef in the near future) and a vitally important employer. Dunbia would have difficulty finding operatives if it were not for an influx of foreign labour which in turn stimulates the local economy and adds cultural diversity.

For businesses it would be difficult to generalise about cost to benefit; there is arguably some saving on wages given a willing and plentiful overseas workforce. However there could also be additional training costs including language training.

For consumers the benefit would be largely increased competition in food service provision which should follow through to consumer price benefits.

State Aids legislation has presented difficulties in the past when policy makers have struggled to support home industry development while being compliant. For example the True Taste brand was a compromise to comply with State Aids. The brand could not champion the Welsh provenance of food and drink and consequently



there was less recognition of Welsh produce amongst consumers and probably a reduced market share for produce.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The total value of Welsh food and drink exports in the year to 2013 quarter 2 was £278 million; this figure represents an increase in exports of 113% since 1999. In terms of comparisons to the other UK countries and English regions Wales has experienced the fifth largest percentage growth during this period. This year 22% of non-exporting food producers have expressed an interest in exporting (Welsh Food Producers Survey 2013) compared to 17% in the previous year.

EU action to create a level playing field, for example, in respect of harmonised food safety, food standards legislation and animal health and welfare standards is of direct benefit to Welsh based businesses wishing to export products and services to other MS. Naturally this confers the same advantages on other EU businesses wishing to establish in Wales which may increase competition for Welsh businesses.

The Foreign Direct Investment (FDI) programme facilitates business establishment in Wales and legislative hurdles would be unwelcome while the advantages of a level playing field, through EU regulation, should be advantageous. Increased competition in food service provision should sharpen business performance and offer more choice and competitive pricing for consumers. However, free movement legislation could also prove too limiting in relation to Welsh Government's FDI incentives, Wales may then lose out in attracting foreign food business investment due to natural disadvantages such as distance from markets.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of EU biofuel support policies on agricultural commodity markets and food prices?**

Welsh Agricultural policy is primarily focussed on food production. Biofuel production in Wales is, in the main, built around home consumption or for the purposes of research and therefore does not influence commodity prices in the same way as is evident in the arable growing regions of England.

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

The current CAP regime through Pillar 1 does not guarantee that policy objectives of farm modernisation and sustainable production will be delivered. Policy levers within Pillar 1 are limited, and Pillar 1 constitutes the majority of the CAP funding. With regard to Pillar 2, the Rural Development Regulation is sufficiently broad to permit

considerable leeway for the Welsh Government to pursue national goals, incorporating agri-environmental schemes, organic farming, piloting innovation, on farm investment, supply chain support and on and off farm diversification. The Welsh Government is particularly pleased to see the EU focus on knowledge transfer and innovation, since without such a focus the agricultural industry in the EU will struggle to manage with reducing direct payments.

It was a disappointment to see the new CAP regulations continue to allow payments coupled to production, and the facility to transfer funds from Pillar 2 to Pillar 1 would seem to encourage reliance on public subsidy, which is not a helpful attitude to foster.

Direct payments remain essential to Welsh farming; Single Payment typically accounts for 80% of Farm Business Income. However, the Welsh Government wants to see an improvement in the ability of farm businesses to thrive without subsidy, particularly as there is every likelihood of the CAP budget reducing in years to come.

The continuing focus on direct payments has, arguably, greatly reduced restructuring that might otherwise have occurred in the sector; nor has it encouraged efficiency.

A counter argument would be that rural communities and the family farms within them have been sustained by the policy. The environment has been protected too through Cross Compliance. Rural Development policy and funding have enabled growth and development in agriculture, the food chain and food industries; diversification of the rural economy and environmental protection and improvement.

The UK has been disadvantaged compared to other MS in terms of the Rural Development budget which has been based on vague allocations and bilateral deals rather than on the promised basis of historical factors and need. This was a source of considerable regret to the Welsh Government during the negotiations, since the UK drew back from seeking a fuller settlement.

The risk of infraction and disallowance is an ongoing concern for UK and Wales Governments and results in costly controls and protests from farmers / businesses and accusations that additional bureaucracy is costly, complex and bad for business.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The Welsh Government's Action Plan for Food focuses strongly on market development in both the domestic and export markets. Other Member States and regions of Member States will be target markets for trade in agricultural/food products and also food services, potentially. We will not achieve the Plan's growth ambitions through domestic market development alone. A level playing field to facilitate access to foreign markets is essential and outweighs the risk of increased competition on the domestic market. Future EU enlargement offers more potential to grow exports.

The Welsh Government's policy for agriculture is one of developing a viable and sustainable industry where the productivity of the land will be maximised to feed the future economic, environmental and social outcomes for the people of Wales. This will be achieved by economic growth in each sector of the industry in an environmentally sensitive way and working towards sustainable intensification. As with the food sector, exports will play a significant role and the CAP can support its achievement. In terms of production, the CAP needs to offer a level playing field where no MS is at an unfair advantage by allowing large variances in its delivery of the policy.

The food sector faces the challenge of feeding an ever growing world population. This increase must be in the context of prioritising food safety and minimising impact on the environment. Food Safety Standards are increasingly standardised across Member States. The European Food Standards Agency works with MS FSAs to harmonise standards. It is not perfect, as demonstrated in the recent horsemeat problems; it is impossible to say whether national trade checks and barriers would have prevented the easy trade in horsemeat between countries if the EU did not exist.

Environmental standards are also harmonised across MS, which safeguards the environment while business will protest that the cost of compliance leads to competitive disadvantage.

Biotechnology in general and genetic engineering continue to be regarded as a controversial technology. They are regarded by some as an important key to increasing economic competition on the one hand, but provoke concerns about health, safety and environmental issues by others. There continues to be public concern about GM crops and foods in the EU which is the level at which GM approvals are considered and made.

The coexistence of GM crops with conventional and organic crops, as well as the labelling and tracing of GM food products are topics of ongoing discussion and there has been a continued blockage of GM crop approvals which a few years ago led to a WTO trade challenge. Would the situation be the same if the approvals were taken at the MS level or would the patchwork of countries for and against GM prove an unworkable scenario for all?

Even today the future of GM crops in the EU is as unclear as ever. However, the continued development of them in third countries mean that GM will continue to be a challenge into the future and the debate is likely to intensify as supply of no GM products dwindle and the EU has to respond to things like climate change, population increases and sustainable development.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

It is in Wales' food sector interest that market access decisions should apply across all MS so that the food sector growth targets can be met. Unilateral and liberalising

action may backfire and restrict access to markets that we would wish to develop. We already export Welsh Lamb and Welsh Beef to several Member States. Protected Geographical Indication which is an EC regulated initiative has been significantly advantageous in accessing markets and growing market share in established markets. More Protected Food Name products are being developed and this is deemed to be very advantageous to export development alongside the new Food and Drink Wales Identity.

The European Food Standards Agency must continue to lead the way on food safety and harmonising of 'baseline' standards across Member States. Close working with national FSAs is essential. However there must also be flexibility for enhanced standards when Member States and regions identify this need. The mandatory approach to Food Hygiene Ratings in Wales being an example in point; the requirement to display the business score is informative for consumers and an incentive to raise standards in food service provision.

In terms of the UK and Welsh food industry, opening up new markets in countries such as USA, China and Russia presents significant challenges. Negotiating export licences can be a lengthy and complex process. Expanding trade into Europe appears to be significantly easier.

For agricultural production, action at EU level is vitally important to ensure that there is a level playing field for all Member States to achieve competitiveness in their agricultural industries. Specifically for animal health and welfare, the need for common standards across the EU is vital for free trade of breeding livestock.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

In terms of Plant Health we believe there could be improvements to the existing system around the plant "passporting" process to work more effectively and to extend it to include all plants for planting and not just those from 3rd countries. Also, the speed at which the European Commission responds to new threats and the sharing of intelligence etc could be improved. Similarly the ability of the Member State to take proactive action to minimise a threat like from new and emerging trades should be encouraged, rather than the reactive approach the EU currently adopts.

In terms of Plant Reproductive Material, given the nature of the industry and the way Plant Reproductive Material is traded then the EU regime is the most appropriate level of governance. Having uniform standards set across the EU allows the trade to operate and provide the range of Plant Reproductive Material required by Member States for an effective agricultural, horticultural and ornamental industry. The biggest thing that we are trying to improve at the EU level is the simplicity and streamlining of the EU requirements to ensure the regulatory requirements are appropriate and affordable to the different kinds of Plant Reproductive Material and the different parts of the industry, e.g. that the same rules governing the commercial trade are not necessary for the amateur gardener.

## Welsh Local Government Association (WLGA)

The WLGA represents the 22 local authorities in Wales. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.

We welcome the opportunity to respond to this review as Wales benefits greatly from the Common Agricultural Policy. We wish to offer the following comments:

### General

- Rural communities across Wales continue to rely heavily on the agricultural community and benefit from the EU having competence for agriculture.
- The EU's approach to agriculture is of benefit to Wales as it better reflects Wales' interests. Wales is a predominantly rural area thus farmers and wider rural communities benefit from the support for agriculture and the wider rural economy from the EU.

### External dimension

- The EU is a large economic area and with that comes increased influence in terms of negotiating agreements with non-EU countries. As a result it seems that it is in the UK's interest to be part of such a larger negotiating bloc rather than seeking to negotiate as a stand alone entity on the outside.

### Funding

- Pillar 2 Rural Development funding provides valuable support to the agricultural industry, the wider rural economy and the environment across Wales. Recognition should also be given to the fact that Pillar 2 can also support the provision of improved access to basic services in rural Wales.
- We also wish to highlight the importance of knowledge transfer across both Pillars and that full consideration should be given to the economic value of knowledge transfer both within the wider rural community and on-farm. There are opportunities for Wales to be a leader in innovation and knowledge transfer in farming, agriculture and the wider rural economy.

### Future challenges and opportunities

- The speed and expansion of the greening proposals, particularly regarding eligibility criteria and implementation arrangements at the local level are likely to be challenging for the farming sector.
- It is also vital that activities under standard greening measures, Glastir or agri-environment activity under Pillar 2 complement each other. There should also be further consideration of the Pillar 2 options, particularly to address the

wider agenda of the alignment of the ESI funds and the overarching jobs and growth agenda and how to develop synergies between urban and rural areas.

- We support the *Community Led Local Development* approach proposed by the European Commission. However we are disappointed that it does not seem that it will be possible in Wales to adopt the *Community Led Local Development* approach across all the ESI Funds, which would have enabled real integration of interventions and activities to be delivered on a sub-regional and local level across Wales.

## Wheller, Esther

### Q1. Should the EU have competence for agriculture and plant health?

In my view the EU should not make decisions about Plant Reproductive Material (seeds) intended for gardeners. I want my grandchildren to see and be able to plant the same flowers and vegetables as my own grandmother planted. If there are new species that is fine but I want to keep the old varieties and I don't want the decision over which plants I can plant controlled by just a handful of companies in the world.

## Wilson, Robin

### Q1. Should the EU have competence for agriculture and plant health?

NO, this should be UK - increasingly EU legislation imposes constraints that simply don't add value, disadvantage our ability to compete, and are totally ineffective as they are not practical. Two examples - The soil protection review - complete waste of time - I had a two hour investigation by the RPA to see if I'd completed the form correctly - they didn't want to see the land to see if I was implementing anything, just tick boxing to satisfy EU reporting requirements. No farmer will ruin their land for the sake of it so SPA is just paperwork with no benefit.

Secondly Sheep identification - double tagging is another total waste of time - sheep lose tags constantly, there is a high rate of EID failure, and individual ID does nothing to improve disease risk.

### Q2. What evidence is there that the EU approach to agriculture:

**i) benefits the UK national interest?** It doesn't.

**ii) disadvantages the UK national interest?**

Sheep identification only applies to countries such as the UK where we then suffer competitively.

The cost of both UK and EU administration of schemes is far too high compared with any benefit from the form filling. Simpler not more complicated systems are needed, but EU only ever adds complexity. Increasing and more complex sheep ID schemes

are a prime example of where the fact that sheep regularly lose tags is countered with more tagging, not an acceptance that a) tagging is un-necessary and b) that adding more tags just means more losses.

**Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

I cannot see it benefitting from more EU intervention. An example is EU labelling where the EU is not keen to have country of origin and processing, but customers want to know where their food comes from. So British bacon is probably Dutch meat processed in the UK.

**Q4. - Q6.** Not Answered

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?**

The council of ministers seems unable to act against anything as there are too many competing national interests.

**ii) disadvantages the UK national interest?**

Just need to look at food country of origin, or the IPPC legislation to see how letting bureaucrats create things that don't harmonise but do harm.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these arrangements and the EU's role in negotiating them help or hinder the UK national interest?**

Since all world trade talks take many years and seem to go nowhere, I cannot see how adding the EU dimension helps the UK.

**Q9. Considering the Single Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

Not at all. There is no level playing field - example sow stall ban - 10 years to implement and one year in many countries don't comply and probably won't for years to come. Meanwhile we comply and suffer as a result. Legislation needs to be Simple, Clear and consistently applied - it is none of these.

**ii) How could they be improved? Ignore the EU**

**Q10. – Q11.** Not Answered

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may**

**wish to focus your answer around one or more of these areas specifically (i) direct payments (ii) single common market organisation (iii) rural development.**

(i) direct payments do not help UK farmers - they help the department of the environment with its objectives - they are unrelated to food (ii) No idea (iii) I have seen nothing from EU that helps rural development - we need high speed broadband, and help with fuel costs - neither come from the EU - or from domestic governments either for that matter.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

Challenges - More EU red tape - we need a clear one in one out policy for EU legislation.

Opportunities - a general election voting for UKIP.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

Member state!

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?**

I spend less and less time farming, and more and more completing bits of paper. Was told recently by H&SE that I should have an annual ladder inspection report - yes a report on the condition of all the ladders on the farm, we are a small farm with husband and wife farming - how ridiculous is that?

## **Wm Morrison Supermarkets Plc**

**Q1. Should the EU have competence for agriculture and plant health?**

Morrison's does not hold a corporate position on the UK's membership or otherwise of the EU. The following observations are made from a specific agricultural/technical point of view as regard the impact of various EU policies on the British agricultural supply base, on which we depend very heavily for raw materials, in particular beef, pork, lamb, chicken, eggs, milk and cheese.

While the Common Market in agricultural products delivered by the EU has been of great benefit in ensuring a competitive agricultural supply base and (usually) common/comparable standards of production across the EU, in many areas the effect of the CAP has been the diametric opposite.

For example UK suppliers of meat and dairy products must compete effectively with their EU counterparts to win business. British pork is traded at prices similar to Dutch/Danish, and British beef and cheese must compete on price with Irish product.



Viewed in this light EU competence over the Common Market in agricultural products is a good thing for the "UK PLC".

The same cannot be said of the CAP, which by focussing almost entirely in recent years on supporting agricultural incomes without any link to production has served to undermine UK agricultural competitiveness, particularly in the important beef and lamb sectors. Evidence from our direct supply base of over 2500 UK beef and lamb farms shows clear dependence on the annual SPS payment- we frequently see cash flow problems within our supply base immediately prior to the RPA release of funds.

Reliance on the SPS has acted as a significant inhibitor to the necessary consolidation and efficiency necessary to make these sectors internationally competitive.

We have no developed views on plant health.

## **Q2. What evidence is there that the EU approach to agriculture:**

### **i) benefits the UK national interest?**

We are aware of no academic research that examines the impact of EU competence on the UK's national interest in agriculture. Indeed the terms "national interest" and "agriculture" are rarely to be found in the same document!

However given that the EU exerts greater control over agriculture than over any other sphere of our national life and that since the EU decision to de-couple support from production in 2003 UK self-sufficiency has dropped dramatically in almost all major foodstuffs, to the detriment of our balance of payments and potentially our food security, it is hard to argue that the current CAP is consistent with our national interest."

### **ii) disadvantages the UK national interest?**

Although there is evidence to suggest that the CAP has brought stability to a number of key agricultural commodity markets in the past (e.g. Sugar), the extent to which it is able to do so in the future and whether this can be achieved at an acceptable cost to the taxpayer and the consumer is highly questionable.

A large proportion of CAP spending is used by farmers to subsidise non-competitive practices, cushioning UK agriculture from the need to find productivity gains. An unproductive agriculture sector is not in the long-term interests of the UK.

## **Q3. Do you think the UK's ability to champion a competitive food and farming sector would benefit from more or less EU action? Please provide evidence or examples to illustrate your point.**

Provided the UK Government gives sufficient priority to championing a competitive UK food and farming sector it would be much better able to do so outside the confines of the CAP.

For example, spending could be specifically targeted at areas which increase on-farm/inter-farm productivity. For example we believe the UK beef sector could

achieve efficiency gains approaching 50% in terms of KG beef/acre (at no additional cost to the environment) if the right package of measures were put in place to change current inefficient practices. Currently many of the required incentives would fall foul of state-aid rules and other aspects of the CAP.

**Q4. How far do the benefits of access to the single market outweigh the risks to UK biosecurity resulting from the free trade in plant products?**

No developed view.

**Q5. What evidence is there that the current competence over forestry policy:**

**i) benefits the UK national interest?** No developed view.

**ii) disadvantages the UK national interest?** No developed view.

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

We are concerned that we are moving further away from a level playing field within the UK (considerable variation in the implementation of the CAP has already emerged within the UK) and would prefer to see UK national governance in most areas of agricultural policy.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report: i) benefits the UK national interest?** No developed view.

**ii) disadvantages the UK national interest?** No developed view.

**Q8. Agreements with non-EU countries (multilateral and bilateral free trade agreements) play a significant role in UK agriculture. How do these agreements and the EU's role in negotiating them help or hinder the UK national interest?** No developed view.

**Q9. Considering the single Common Market Organisation:**

**i) How successful are current arrangements in striking the right balance between the goal of a level playing field and the flexibility to meet local and national needs?**

The CMO has been highly effective at facilitating competition in agricultural products to the benefit of consumers in the UK and EU. Any problems with inflexibility should be seen in this context.

**ii) How could current arrangements be improved?**

A mechanism for capturing those areas where businesses feel that innovation has been stifled may be useful. An example that springs to mind in fresh milk marketed at 1%, 2% and 3% fat content rather than skimmed, semi-skimmed and whole (or even worse "full-fat"! ). Apparently this is prohibited under EU rules.

**Q10. What evidence is there that access to EU markets and adherence to common standards on agriculture, plant reproductive materials and plant health benefits or hinders UK consumers and businesses both domestically and when exporting abroad?**

The evidence of which we are aware does not lead us to conclude strongly in either direction.

**Q11. What evidence can you provide which shows the effect, or lack of effect, of the EU biofuel support policies on agricultural commodity markets and food prices?**

The actual effect is not yet clearly understood however the potential effect may be significant in local markets. In terms of the greater challenge, globally, to produce more food from a finite acreage, we feel the effect is likely to be insignificant, at least for globally-traded products, such as feed-wheat.

Of more concern is the potential concentration of the co-product animal feeds in the hands of a very small number of players.

We would also refer you to the answer given in question 7, which highlighted the potential productivity gains which are still possible in UK agriculture. These have the potential to more than outweigh the bio-ethanol requirement."

**Q12. How far do rules around support to UK farmers and growers through EU funds help or hinder the UK in meeting its objectives for the sector? You may wish to focus your answer around one or more of these areas specifically (i) direct payments, (ii) single common market organisation, (iii) rural development.**

The direct payment regime, as stated previously, is a significant inhibitor to the emergence of a competitive beef and lamb sector in the UK.

**Q13. What future challenges and opportunities do you think will affect sectors discussed in this report?**

The dual threats of population growth and climate change are likely to focus more attention than ever on agricultural productivity and food prices

In recent years agricultural productivity gains have not kept pace with the demand for food, causing various food price spikes around the world.

It is time the fundamental objectives of the CAP were re-framed to reflect this global challenge. If not the pressure on national governments to repatriate their own food-security will be overwhelming and potentially beneficial, in the face of inaction at EU level.

**Q14. What is the right balance between action at Member State, EU and international levels to address the challenges and opportunities?**

This will depend on how current structures rise to the challenges.

**Q15. Are there any general points you wish to make which are not captured in any of the questions above?** No.

## **Wolvers, Ian**

### **Q1. Should the EU have competence for agriculture and plant health?**

I believe the EU should not have competence for (that is, they shouldn't make decisions about) Plant Reproductive Material (that is, seeds) intended for gardeners.

Agriculture in the UK (and the rest of the EU) is a major business. Individual citizens' gardens and allotments are a completely different sector, and don't require strict EU-level regulation.

**Q2. – Q15.** Not Answered

## **Woollard, Samantha**

### **Q1. Should the EU have competence for agriculture and plant health?**

I feel the EU should not have control over the decisions for Plant Reproduction Material (i.e. seeds) for amateur growers/ home gardeners. Agriculture in the UK and EU is a major business. However, individual citizens, gardens and allotments have completely different growing needs to those of large scale commercial farmers and do not require strict EU regulation. Garden plants and seeds for personal consumption should not be regulated in the same way that crops grown for the wider public consumption are, they should remain in the control of UK laws.

### **Q2. What evidence is there that the EU approach to agriculture:**

**i) benefits the UK national interest?**

**ii) disadvantages the UK national interest?**

DEFRA recently said:

""In recent years simpler requirements have been agreed for conservation varieties and varieties with no intrinsic value for commercial crop production eg varieties intended for gardeners."" The new EU Plant Reproductive Material Law is set to remove this exemption for home gardeners."

**Q3. – Q5.** Not Answered

**Q6. How might the UK national interest be better served by action being taken on agriculture and plant health at a different level of governance - either in addition to or as an alternative to EU action? For example regionally, nationally or internationally.**

Regulations for a countries interests on agriculture and plant health should be kept in the control of said country. Every village, town, county and country is unique. France has different needs to the UK, as does Poland to Italy, and so forth. Governance should be set nationally, with additional regulations set regionally. Every country is different economically, socially, and environmentally. The UK is already a net importer of its food, and the new EU Plant Reproductive Material law will restrict and diminish the impact that home gardeners can make to reverse this.

**Q7. What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the areas covered in this report:**

**i) benefits the UK national interest?** Not Answered

**ii) disadvantages the UK national interest?**

DEFRA already have a suitable list for plant reproductive material which many UK seed producers have already worked hard to put together and fund. This would become obsolete, and therefore the money and resources invested into creating and maintaining this list would have been wasted.

**Q8. - Q15.** Not answered

## **Wootton, Leonie**

**Q1. Should the EU have competence for agriculture and plant health?**

I think EU regulations should only be applied to farmers and the seed they use, and not to seed as used by the gardener as our needs are very different from the commercial grower. The gardeners' seeds should be protected by the laws of the UK and not by the EU.

**Q2. - Q15.** Not Answered

## **Wormald, Julian**

**Q1. Should the EU have competence for agriculture and plant health?**

No. This should be a UK national decision.

**Q2. – Q15.** Not Answered

## **Yannakoudakis, Marina MEP**

The amount of duty free imports of sugar cane refiners can bring into the UK is in the hands of the European Commission. As the UK relies on imports of sugar cane for refining as well as beet for processing, the competence for setting the volume of

tariff-free imports of raw cane sugar should be repatriated to the UK. EU rules on sugar have put jobs at risk across Europe, including at the Tate & Lyle Factory in my London constituency as well as in other cane-refining countries such as Portugal and Italy, where the economy is in a more precarious position. Tate & Lyle was forced to lay off 30 members of staff and stop weekend production because of EU import rules. EU preferential access rules mean that Tate & Lyle can only buy sugar cane from the African, Caribbean and Pacific (ACP) group of states and the least developed countries (LDC). Due to these restrictions the company has been unable to source sugar cane in the quantities that it needs. The European Commission has refused to show any flexibility on this issue and the situation is likely to worsen following the Commission's decision not to allow duty-free import of cane after the 2017 liberalisation of the beet market. The UK also does not have the competences to negotiate free trade agreements with cane-producing countries such as South Africa nor to ensure that EU aid money is used to raise production levels in the least developed countries. These competences and those related to preferential access and zero duty tariff-rate quotas need to be re-examined.

# Stakeholder Engagement – Note of meetings

## EU Spend Workshop: ‘Spending at the EU level’

### Note of meeting and evidence for the Agriculture, Cohesion and EU Budget Reports

Thursday 7 November 2013

#### Attendees

Professor John Bachtler, Strathclyde University (Chair)

Business for Britain

Cabinet Office

Convention of Scottish Local Authorities

Department for Business Innovation and Skills

Department for Communities and Local Government

Department for Environment Food and Rural Affairs

European Commission

HM Treasury

Institute for European Environmental Policy

National Farmers Union

National Council of Voluntary Organisations

Open Europe

Research Councils UK

Royal Society for the Protection of Birds

- Cabinet Office, HM Treasury, Defra and BIS provided an overview of the Balance of Competences process and the Budget, Agriculture and Cohesion Reports. Attendees discussed two broad areas around EU spending:
  - I. *Value for money* of EU spending – including consideration of:
    - whether the level of spend is right
    - whether the value of spend is cost effective and/or efficient
  - II. *Financial management* of EU funding
- The following points were made in discussion held under the Chatham House Rule:

#### Value for Money

##### **Do all areas of EU spend provide value for money?**

- The added value of EU spending was questioned: for example within the Cohesion budget UK regions (other than Cornwall and West Wales) pay for their own receipts, and there is potentially an administration cost saving if the funding were delivered at MS level.

- By contrast, research and innovation funding has been highly advantageous to the UK under Framework Programme 7. Percentage-wise the UK receives more than it contributes. It also benefits in other ways e.g. contacts, networks and increased knowledge base. A European-wide R&D programme can also help with some of the burdens associated with the agency administration of complex and multi-national partner projects.
- Structural funds that local authorities access were seen as helpful against the current economic backdrop. The predictability of the seven year framework is beneficial in working towards 2020 goals.
- It was thought that structural and Investment funds could be used to a greater degree for infrastructure spending.
- Beneficiaries face some challenges when structural funds become 'locked away' in large contracts e.g. Work programme, families with complex needs. Also match funding with European Social Fund is incompatible with payment by results. It ends up that lots of money goes to big companies.
- Greater added value from EU Cohesion spend would result from investment in modernisation for economic development in newer MS. If EU funding were limited to less developed regions then perhaps €4bn could remain in the UK. HMT could in theory choose to guarantee that these funds would be spent on regional development.
- From the perspective of at least some regions, regional spend was a 'guarantee of regional development' which in practice was unlikely to be made by national governments.
- There were potential benefits to UK companies through contracts to deliver EU-funded activities in other member states. Furthermore, the UK not only directly benefits from the money it receives from the EU but also indirectly through the money that is spent in other Member States.
- There were also benefits to trade and investment; and a possible benefit in slowing migration.
- With regards to the Common Agricultural Policy, while some stakeholders question the value for money of Pillar 1 payments, others see it as delivering public goods e.g. supporting farmers' incomes and food production, and contributing to activity in rural economies. Direct payments also contribute to a level playing field for EU farmers.
- The CAP budget overall has reduced from 43% of total EU budget to 36%. It was argued that the introduction of "greening" of direct payments does provide additional justification for use of public money, particularly in MSs where agri environment schemes do not work as well as they do in the UK.



- However, in addition to the monetary cost of the CAP there is an opportunity cost to the economy because the CAP fails to incentivise farm modernisation.
- There is also an environmental opportunity cost: if CAP funding was not spent on direct payments it could be linked to biodiversity-rich areas.
- The question was raised whether the administration of EU spend yielded economies of scale. It was doubted whether the EU should have a budget to account for its admin expenditure (albeit admin only accounts for 0.06% of EU budget). The added value provided by the EU Space Programme was doubted. However additional spending was needed on research and innovation.

### **Are different approaches required for different funds and different geographies?**

- The LEADER approach was thought to be effective in promoting cross-sectoral partnership approaches - which are effective and work well in UK but less so in other MSs. But there are questions about the value for money of some projects funded through LEADER.
- There is value in there being an EU-level budget which delivers EU-level objectives. For instance biodiversity has cross-cutting targets for the year 2020 and so needs cross-cutting funding through e.g. the LIFE mechanism, which is small, targeted and efficient. It is an example of how size isn't relative to the impact of funding.
- Agri environment schemes cut across seven year budget period, and are structured around 5 or 10 year agreements. There are significant costs and burdens for farmers to make agri environment scheme agreements meaning the longer term funding arrangements are needed.
- Domestic budgets would not be able to deliver such long term guarantees. There is a strong sense of partnership across European NGOs working towards the same goals and it is therefore efficient that relevant funding exists at the EU level and it provides a base from which expertise can be pooled. National policies would not be able to deliver such cross-cutting targets.
- The majority of Cohesion policy spend however was delivered through national or regional level programmes.
- Some supporters of cohesion policy have argued that it is becoming a 'delivery agent' for sectoral policy.
- However it was argued that there was a risk of cohesion policy having two objectives – economic convergence and investment in growth sectors – which did not fit together well. There was a case for disaggregating these – but also concerns about resultant increased administrative costs.
- The objectives of a domestic cohesion policy would look very different to the European level picture.

- Voluntary and academic sectors would welcome simplified, streamlined approaches to schemes. Some organisations are put off applying for cohesion funds because of the risks of getting things wrong and being pulled up during audit exercises and also due to a lack of flexibility on committed spend.

### **Financial Management**

#### **How effective is accountability and financial management of funding from the EU?**

- Participants suggested the seven year MFF cycle makes it easier to tackle long-term strategic objectives such as poverty and climate change.
- The 5-7yr cycle also provides a safety net against the impact of political changes in Member States e.g. UK domestic regional policy has come under pressure but EU funding remains guaranteed.
- There were significant costs in administering CAP direct payments and rural development payments in the 2007-2013 period. Scheme complexity led to significant disallowance.
- It was felt that there would still be an administrative burden on farmers if domestic funding were to replace CAP direct payments.
- It was reported that organisations avoid applying for structural funds because of the cost of the administration involved. There is also a cost associated with the length of time it takes farmers to access funds. The UK and EU are both at fault and the process ought to be simplified.
- There is often a conflict between different funding streams. Administration costs rise when there are several funds with similar objectives.
- Member states typically have robust audit and financial management systems in place – the question was asked why does EU send personnel to carry out centralised audits etc?
- Prospects for EU enlargement were significant as likely to lead to pressure for larger budgets and more complex administration.

#### **What further steps might be taken to provide increased assurance for EU taxpayers?**

- Participants wanted to see more transparency and accountability for spend.
- There was thought to be scope for more funding to be provided through loans rather than grants. This would require much better business cases to be developed and more conditionality could be attached to funding.
- There were calls for greater flexibility to enable Member States to be able to react to the wider economic cycle. For example during the recent financial crisis there was no scope for MS to be able to re-orientate funds. Member states were making cuts domestically however there was no scope to adjust European

contributions and/or committed spend. As states moved through the fiscal cycle, there was no flexibility to spend the money on different (and much needed) areas.

- A reduction in the current seven year budget period to a five year period would allow for easier adjustment to economic cycle. The mid-year review (MYR) is a good idea, as long as it does not disintegrate into an exercise to increase spending, and is used to take a proper look at the distribution of spending.
- Delegates recognised a tension between pressures to spend funds with greater regularity and pressure to spend money quickly, raising the question of whether this tension leads to more errors.
- There was discussion of fraud and error in the EU budget and agreement that some MSs had more robust systems than others. Furthermore that most issues involved error but not fraud. There had been reform to the EU civil service and cuts were expected.
- One way of simplifying the process would be through block grants without the requirement to specify individual budget lines.

## **Brussels Workshop: 'The European Perspective'**

### **Note of meeting and evidence for the Agriculture Report – 13 November 2013**

#### **Attendees**

Agriculture and Horticulture Development Board  
British Agricultural Bureau  
Convention of Scottish Local Authorities  
Copa-Cogeca  
European Forest Institute  
Julie Girling MEP– Chair  
Institute for European Environmental Policy  
George Lyon MEP  
National Farmers' Union  
Jim Nicholson MEP  
Graham Watson MEP

#### **The Common Agricultural Policy**

##### **Benefits to the UK**

- Where previously Europe was dominated by protectionism, there is now a functioning single market in agricultural goods thanks to reform of the Common Agricultural Policy and the single Common Market Organisation. Attendees agreed there was a clear advantage to the UK in being part of the single market in agricultural goods.

- It was felt that the EU framework underpins trade e.g. the CAP enables UK farmers to export added value dairy products to Belgium. It evens up the approach between Member States and the CAP prevents one country from undercutting another.
- The EU framework has led to greater understanding of other Member States' agricultural industries. e.g. through organisations such as Copa-Cogeca and the European Landowners Organisation which give industry a stronger voice with Governments.
- It was argued that the CAP has sped up contraction of inefficient parts of the UK agricultural industry. e.g. the Northern Irish dairy industry has reduced from 7000 dairy farmers to 2000, producing twice as much milk.

Delegates considered that:

- The evolution of the CAP from market support to direct payments to payment for public goods has been positive.
- The UK has influenced the formation of the common EU environmental framework in agriculture, pushing for high standards across Europe to ensure UK producers are not undermined.
- The common EU framework benefits producers, the environment, and consumers e.g. through common standards of agricultural produce.
- The single market protects UK consumers from lower quality exports from outside the EU. The EU ensures common phytosanitary (plant health) standards as part of the single market.
- A functioning single market with equal competition across borders is the top priority for farmers, not whether the policies are made in the UK or EU.
- UK universities also benefit enormously from EU funding for research into ecosystem services and agriculture. UK research centres have developed capacity by feeding into the EU. Most evidence is generated within just six Member States and the UK has a large share in this.

### **Problems with a common approach**

- There are widely varying direct payment rates across the EU e.g. €800/hectare in Malta and €110/hectare in Scotland or Latvia, so the single market is already distorted.
- There's already an unlevel playing field within the EU. It was felt that in practice France had not fully decoupled payments from production and under new arrangements would be able to transfer 1 billion Euros from Pillar 2 to Pillar 1, putting UK farmers at a disadvantage.
- It was argued that some Pillar 2 money has been spent unwisely in the UK and there is not always good value for money. The UK ought to focus Pillar 2 on

diversification of business activity, i.e. to support SMEs, rather than on provision of community facilities.

- Rules such as the crop diversity element of “greening” are designed to address specific circumstances in particular MS (i.e. intensive maize growing in Germany incentivised by biofuels payments) – but are not relevant to all MS and undermine the principle of proportionality.

### **Plant health**

- Attendees agreed that EU competence for plant health was essential because of the benefits of free trade in plants and plant reproductive materials. It was essential for the maintenance of phytosanitary standards. An EU framework for plant health is also vital for forestry and agriculture.
- Concerns were raised over weaknesses in enforcement. On horse chestnut disease, there were duties to inform other Member States about the spread of the disease but the disease had spread as enforcement was lax.
- While there is an EU framework on authorisation of plant protection products, there are individual authorisations in each Member States, leading to different approaches across the EU.
- Some decisions also need to be taken at OECD or OIE level to ensure a consistent approach with third countries. The EU has banned certain products which don't follow European safety standards, but these are still used in third countries, creating market distortion.
- Attendees argued that the EU approach to GM products was dysfunctional and ignored scientific evidence. The EU needed to recognise GM was key to sustainable intensification.

### **Forestry**

- Forestry is currently a Member State competence. Although there is no common EU forest policy, there are specific EU regulations on aspects of forestry, like the EU Timber Regulation, the Council Directive on the marketing of forest reproductive material, and several EC decisions on forest plant health issues. It was argued that the many EU policies that impact on forestry can lead to uncoordinated and contradictory aims and demands.
- It was argued that forestry and agriculture policies are interlinked and need to be part of a more integrated approach to land use.

### **Alternative arrangements**

- Renationalisation would allow Southern European MS to further regulate the marketplace. With regard to direct payments, farming industries in other Member States would remain highly supported, while it was unlikely that the UK would provide the same amount of support.

- It is not clear how the UK could access world markets if it were not part of EU free trade agreements e.g. with the US, Canada or Mercosur.
- Possible alternative structures for UK participation in the single market were discussed, such as being part of the European Economic Area or European Free Trade Association. Some attendees felt that these arrangements provided less monitoring or evaluation of money from the EU. It was argued that the UK would not suit being part of vague structures.
- **International dimension:** Many third countries have high levels of support for farmers. A reduction in the level of support from the EU would have to be part of a trade deal with competitor third countries, so that the EU didn't lose its competitive edge.
- **Republic of Ireland:** The question was raised as to the ramifications of the UK leaving the EU, considering Northern Ireland's border with another Member State. The UK is only 60% self-sufficient in food that it can supply, which is often shocking to the UK consumer. It was argued that as a significant 80% of Irish produce is exported to the UK, UK consumers would have to pay twice as much for some products e.g. Irish butter, if the UK were to leave the single market.

### **CAP Budget and the UK rebate**

- While around 40% of the EU budget is spent on the CAP, agriculture makes up a small percentage of UK employment and GVA.
- Attendees made the point that the importance placed by on the UK rebate distorts the discussion over the UK objectives for CAP reform. The rebate was the "elephant in the room" in CAP reform negotiation.
- Farmers are conscious that the UK rebate is not reinvested in agriculture.
- On the basic issue of whether all Member States are treated fairly, some attendees argued for a fundamental and honest debate about how CAP funding is allocated: the UK needs to be tougher in its approach.

### **Enforcement**

- On enforcement of CAP rules, responsibility lies with individual Member States, and in practice the UK has no choice but to trust other Member States to enforce EU rules properly. Attendees agreed that action needed to be taken to improve the quality of enforcement across the EU, supported by information sharing.
- Some attendees argued that there should be discussion over whether Member States need more of a say on enforcement as the Commission is largely powerless. There were suggestions of staging posts, early infraction warnings and more power at an EU level.

### **EU decision-making**

- In all policy areas, it was thought appropriate to have balanced decision-making between national government representatives and a European Parliament.
- It was argued that the Ordinary Legislative Procedure allows for greater transparency. Attendees felt that at Council meetings, UK interests are not always represented by a UK Minister (often senior officials attend). However, at the European Parliament, the UK's interests are always represented by British MEPs.
- Regional flexibility works well in the UK e.g. Scotland, England, Wales and Northern Ireland have taken different decisions on SPS implementation to reflect their circumstances.
- There was a risk that the Commission is rewriting political agreement made in Council through the drafting of Implementing and Delegated Acts.

### **Future options and challenges**

- **Globalisation and population growth** – the issue was raised of how to increase production to secure global food supply and cater to changing diets with more demand for animal protein.

The EU ought to lead the way in developing a smarter, more sustainable system for agriculture, focusing on smarter systems and being proactive in supplying third countries e.g. China.

- **Research and Development** - Europe 2020 has set targets for increased research and development. The EU should focus on agricultural research e.g. on satellite farming. The CAP should be used as a tool for knowledge transfer. Agriculture is in the research framework, but there is no link.
- **Climate Change** - European land use will change in the future due to climate change. It was argued that not all regions will be able to ensure self-sufficiency on food and other biomass products. Cooperation through a common legal and political framework between European regions is therefore necessary.

### **Doing things differently**

Attendees argued:

- The UK is preoccupied with the EU budget rather than acting to deliver more sustainability through the CAP. The UK should take the opportunity to be leaders in this area with likeminded countries.
- Sustainable intensification – there is some capacity in Western Europe, but most Member States are close to capacity. There is more capacity in Eastern European Member States and the land market will soon be unfrozen. EU Member States should use capacity in Romania and Bulgaria.

- Regulations should be fit for purpose and not set in stone for years. The EU should review and/or put in place sunset clauses to improve the quality of regulation and enable the EU to better react to challenges or changes.
- There also ought to be better understanding and communication between the Commission/Parliament and UK politicians on how Directives were intended to be implemented to support the UK in its transposition. This was relevant in the Devolved Administrations as well as Westminster. Attendees felt that the UK could benefit from other MS experience in scrutinising EU legislation.

## Northern Ireland Workshop: 'The Northern Irish Perspective'

Wednesday 20 November 2013

### Note of meeting and evidence for the Agriculture Report

#### Attendees:

Ballymena Borough Council & North East Region Rural Development Programme  
Business School, University of Ulster

Department of Agriculture and Rural Development for Northern Ireland

Mourne Farmers

Natural Heritage, Northern Ireland Environment Agency

National Sheep Association

Northern Ireland Centre for Food and Health (NICHE), University of Ulster

Northern Ireland Environment Agency

Northern Ireland Food & Drink Association

Ulster Farmers' Union

1. Defra provided an overview of the Balance of Competences Review and the Agriculture Report. Attendees discussed specific questions:
  - What evidence is there that the EU approach to agriculture benefits or disadvantages the national interest?
  - How might the national interest be better served by action being taken at a different level - either in addition to or as an alternative to EU action?
  - What future challenges and opportunities will affect sectors discussed in this report? What is the right balance between action at Member State, EU and international levels to address these challenges and opportunities?
2. The following points were made in discussion held under the Chatham House Rule:



## **Benefits of EU competence for agriculture**

- Many stakeholders stressed the importance of EU competence for Northern Irish agriculture. The benefits of access to the single market were emphasised, specifically the importance of harmonised standards and a functioning level playing field.
- It was argued however, that if Member States wanted to go beyond the minimum standards required by EU legislation, then this should be possible. Some attendees argued that it should be permissible to display this on food labels, although questions were raised over whether this conflicted with single market requirements.
- It was felt that EU competence provided Northern Ireland (NI) with the scope to collaborate and learn from other Member States which share a strong focus on agriculture, e.g. France.
- Attendees argued that Common Agricultural Policy (CAP) funded agri-environment schemes provided a public good to the benefit of all.
- There was overall agreement that EU funding for research is favourable for NI. e.g. academic research in agri-food. EU funding for programmes, such as *Access 6*, was also raised as a positive benefit. *Access 6* is regional development programme in the border counties of Ireland, Northern Ireland and Western Scotland that has received €2.2 million of EU funding and has estimated outputs of €20 million from its support of SMEs.
- Attendees stated that in some cases direct payments represented 80% of farmers' incomes and in an entirely free market there could be a 20% price increase in many products. Some mentioned that the CAP is worth nearly €300 million to NI farmers each year and if the EU didn't give this support it is unlikely the UK would step in to do so.

## **Importance of Agriculture to Northern Ireland**

- The importance of agriculture to Northern Ireland, socially and economically, was emphasised by all attendees. The EU was generally felt to be "farming friendly", so that NI found itself closely aligned with the EU's agenda – compared to the more urban economy in England.
- A driver of the complexity in influencing EU decision making was identified as the need for negotiations to be mediated through Westminster, which has to balance interests of different parts of the UK.
- It was felt that England is not a particularly strong player in agriculture and that UK influence in EU could be more positive, as it is a crucial subject for the Devolved Administrations.

- One stakeholder noted that 20% of cheese eaten in the UK comes from NI, demonstrating the importance of Northern Ireland's agricultural economy to the rest of the UK.
- The transmission of NI objectives to Brussels is heavily reliant on the personalities and working relations between NI and UK representatives. Some stakeholders found it more accessible to work with the Council or Commission and influence agriculture directly at EU-level, rather than engaging through the UK.

### **Disadvantages of the CAP**

- While some participants felt that the EU framework allowed Member States to incorporate local issues into agricultural policies (e.g. the capacity to decide how subsidies would be paid), others noted this as an area where the approach could be improved.
- Stakeholders called for respect of the principles of subsidiarity. There was consensus that the EU should outline a common framework for individual Member States and regions to use, with guidelines to implement policies according to local conditions. Many felt local knowledge is best placed to decide how to implement EU agricultural policy in a way that maximises the benefit to the farmer and to the industry as a whole.
- There was a general recognition of tensions across the EU in creating a common policy for around 250 differing regions i.e. "one CAP does not fit all". Attendees felt that the complexity of decision making would increase with further enlargement of the EU.
- Attendees argued that the EU policy-making process was not flexible for local Member States' situations. The example was given of heather moorland, which the Commission had designated as ineligible grazing land. Attendees commented that it was a substantial commitment to persuade the EU to overturn the decision, and in the meantime farmers lost their single payments.
- Some stakeholders argued that the number of people participating in agri-environment schemes had decreased due to high participation costs associated with application for schemes. Stakeholders argued that rural development policy is particularly bureaucratic.
- Some attendees argued that there was a problem with misinterpretation of Directives through transposition or implementation in Member States.
- Some stakeholders questioned whether there is a level playing field in the single market, particularly when comparing UK and Northern Ireland with other Member States, such as the Republic of Ireland.

### **EU budget, Markets and Food Commodity Prices**

- Attendees discussed the impact of international competition pushing down the price of agricultural products in Northern Ireland, reducing profitability for farmers.
- It was felt that environmental services provided by agricultural production, such as clean water and improved air quality, were not recognised in how the market rewards farmers.
- Attendees debated the role of direct payments in agriculture. Some attendees commented that payments ensured food security and rewarded farmers for being 'stewards of the fields'. Others argued that without payments many farmers would have gone out of business. There was consensus that it would be preferable to have no EU direct payments, but that they were a necessity to compensate where the market did not deliver adequate support and to ensure that NI farmers could compete in a global market.
- Some argued that more CAP funding for Pillar 2 would be desirable but that this would not be achievable at an EU-level. It was argued that the EU supports farmers through economic shifts and turbulence in commodity markets.
- It was argued that the rebate was the UK's primary concern when setting match funding for agricultural schemes. It was felt that this neglected the benefits of agricultural schemes in boosting the rural economy, as farmers tend to spend their money within an 8 mile radius of their home.

### **Plant health and biosecurity**

- Within the EU plant health regime, there was debate over the amount of national flexibility afforded to Member States. While some stakeholders felt that the EU provides enough flexibility to make sensible decisions, others argued for further national flexibility. The example of Chalara ash dieback illustrated that different Member States had different approaches as within the island of Ireland there was a different plant health approach to Great Britain.
- It was argued that the UK needs to continue looking wider when dealing with pests and diseases. One stakeholder suggested pursuing similar strategies to New Zealand and Australia, where there are high restrictions on incoming plant and plant reproductive materials from other regions.
- It was felt that the single market for plant products created particular challenges for Northern Ireland as it was unable to put in place controls to protect the region as this risked being against EU rules.

### **Implications of the land border with the Republic of Ireland**

- Stakeholders argued that NI was more closely aligned with the Republic of Ireland (RoI) than the UK on agricultural policy. It was argued that on animal and plant health in particular, NI and the RoI should pursue an "all Ireland" strategy. Various respondents noted that with RoI recently holding the Presidency of the Council, this was of much benefit to NI during CAP negotiations as their goals were broadly aligned.

- Many respondents were keen to point out that NI is the only part of the UK that shares a land border with another Member State. This is a particular problem as many believe the UK “goldplates” legislation from the EU, unlike the Republic of Ireland. It was argued that this creates an unfair situation where NI then is at a disadvantage as the same rules applied over the border would not be as strictly enforced.
- Varying interpretations of EU rules across the two Member States had sometimes caused problems, particularly where there was the challenge of cross-border farms.
- The need for common standards and harmonisation was reinforced since both NI and RoI export the majority of their output to GB. One stakeholder highlighted that the RoI and NI trade neutrally and that RoI and UK trade is also neutral (£3.5 billion exported each way).

### **Forestry**

- Competence for forestry currently resides with Member States. It was argued that this was desirable because of the range in the amount of forest cover across Member States (from 8% in NI to over 90% in Scandinavia). However it was argued that having some EU coordination was beneficial.
- In the UK’s case, the focus was on sustainable forest management and increasing forestry cover and it was felt that this may not be a priority at EU level.

### **Future opportunities and challenges**

- With regards to food labelling, one stakeholder proposed distinct labels within the UK to reflect different areas of production and to protect producers’ reputation. It was argued that NI had endured the economical and reputational impacts of the foot and mouth crisis because it shared the same UK food label, despite the low probability of the disease reaching the region due to the Irish Sea.
- Concerns were raised about how the CAP would affect old members of the EU differently to new members e.g. as land costs £10,000 an acre in Northern Ireland; this would affect NI’s competitiveness in the single market, as land is cheaper in newer Member States.

### **Globalisation**

- It was recognised that as commodities move around the globe, risks move with them. For example, plant imports have to be assessed to ensure they do not carry diseases into the country with them.
- The example was cited of how Northern Ireland is importing food from other countries, but this potentially jeopardises the food security of exporting countries.
- There are opportunities in the agri-food sector to increase the value of farming businesses. Barley growing was cited as a sector that had substantially grown in recent years. Three new distilleries were being built in Northern Ireland. The

UK's reputation for high standards in food and drink was mentioned as a key driver for demand for UK exports of food and drink.

### **Genetically modified products**

- There was a broad consensus that Northern Ireland should remain open and flexible about importing genetically modified products. The Republic of Ireland generates genetically modified products which affected Northern Ireland crops across the border regardless of whether Northern Ireland chooses to use genetically modified methods or not.

## **Scotland Workshop: 'The Scottish Perspective' (Edinburgh)**

**Edinburgh Tuesday 26 November 2013**

**Note of meeting and evidence for the Agriculture Report**

### **Attendees**

Agricultural Industries Confederation  
Confor  
National Sheep Association Scotland  
Quality Meat Scotland  
Royal Botanic Gardens Edinburgh  
Royal Environmental Health Institute of Scotland  
Royal Society for the Protection of Birds  
Rural Policy Centre and Scotland's Rural College  
Scottish Environment LINK  
Scottish Land and Estates  
Scottish Government

1. Defra presented the aims and context of the Government's Review of the Balance of Competences and the scope of the Agriculture Report. This was followed by a plenary discussion of two questions:

**What are the benefits of the EU having competence for agriculture?<sup>186</sup>**

**What are the disadvantages of the EU having competence for agriculture?**

2. The following points were made in discussion:

### **Benefits**

- UK producers enjoyed access to 500 million customers through the single market. The single market provided common rules and a level playing field for producers.

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<sup>186</sup> In this context, agriculture includes the Common Agricultural Policy, trade in agricultural goods, plant health and plant reproductive materials. The report also considers forestry which is a Member State competence.

- Overarching EU competence seeks to bring all Member States up to a similar level on environmental standards - where otherwise some would have lagged. This addresses pan-European market failures on the environment. EU now needs to increase the level of ambition and move to yet more liberalised CAP, focused on providing public goods such as environmental benefits.
- EU tries to negotiate on behalf of Member States (MS) in trade discussions, but third country trade partners can undermine this by seeking to deal bilaterally with individual MS.
- The Common Agricultural Policy deals effectively with single issues but lacks a holistic approach. For example crop production in the UK has flatlined over past 10 years. One cause is EU restrictions on the use of crop protection products e.g. neonicotinoids (acknowledging that Scottish Government and Defra take different views). This is an example of where the Commission fails to take decisions which are science-based.
- Another example is GMOs where the EU position is nonsensical. (Albeit Scottish Government and Defra do not take the same view.)
- In the absence of EU competence for policy on farm subsidies such as direct payments, there would be the risk of a MS 'arms race' on subsidies (e.g. as happened in the 1920s/30s).
- EU competence can provide consistency for citizens where regions within MS governments diverge (e.g. Scotland and England).
- The consumer benefits e.g. in being able to buy cheap flowers - but there may be increased risk to the environment from imports.

### **Disadvantages**

- Attendees express frustration with the slow pace of implementation of EU rules.
- With regard to plant biosecurity, the single market means plant diseases can easily be moved around and provides a pathway for disease spread e.g. oak procession moth.
- Attendees felt the balance between benefits for trade and benefits for the natural environment was not right.
- On GMOs, the accountability of EU decision makers was not really about risk-based decision making. The issue was that the Commission and European Parliament were distant from people on the ground, unlike Ministers in the Council.
- Time taken to develop policy is slow because of the co-decision process and this affects how the agricultural industry can operate. EU policy often doesn't move fast enough to reflect current science.

- It was felt that CAP regulations can be a blunt tool. For example the crop diversity measures which are part of the greening aspect of the most recent reform were developed to address monoculture issues in specific parts of Europe, but these issues don't translate to other systems across the EU. Greening will have unintended consequences with implications for farm business investment. One issue doesn't necessarily apply across the EU. Even ecologists question the benefits of the Ecological Focus Area requirements.
  - CAP objectives start out as outcome based but the process takes over.
  - Through the negotiating process, policy decision making gets more and more devolved so the CAP is not consistent and overarching aims get lost in the process.
  - Co-decision hasn't been a great success - vested interests in key committees have had undue impact.
  - There were suggestions that the problem was more gold plating at MS level. However, the Pack report on reducing red tape in Scottish agriculture was cited: participants said it had found very few examples of gold plating, and where gold plating had occurred this was a consequence of a joint government and industry decision.<sup>187</sup>
  - EU support for the forestry sector is tied into the rural development regime, which in turn is tied into CAP review cycles. It was felt that these 7 year cycles were unsuited to the long term nature of forestry.
  - Attendees referred to different approaches between views DG Agri and DG SANCO on implementation and interpretation, which led to policy incoherence.
3. The meeting then broke into two groups for table discussions.

**Doing things differently: how could EU competence be used more effectively?**

- Participants argued there should be more Commission scrutiny of MS decision making. For example, under Pillar 2 of the CAP, MS are required to produce detailed programme documents whereas, under Pillar 1 MS are simply required to notify the Commission e.g. about important decision such as on regionalisation of payments).
- The Commission should take a more consistent and thorough approach to enforcement of cross-compliance.
- On plant health, participants thought the Commission needed to be more agile and proactive. For example the Commission should be more forward looking and make it easier to set up protected zones. It was acknowledged that regulatory changes in the pipeline should enable this.

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<sup>187</sup> <http://www.scotland.gov.uk/Publications/2013/12/4967>

- The EU approach was contrasted with the more proactive UK plant health risk register.
- In terms of scrutiny of MS action, the UK was felt to be better at implementing plant biosecurity measures and had suffered from other MS not doing the same.
- It was suggested there was scope for better support for knowledge sharing between MS, building on existing good practice such as Rural Development networks.
- Participants discussed the “common” aspects of the CAP: the desire to support prosperity, underpinned by common principles: a framework for a decoupled payment regime; “greening” – with scope for different kinds of implementation; common regulatory standards e.g. on animal welfare, nitrates, environment; and shared marketing standards.

### **Doing things differently: what are the alternatives to EU competence?**

- With regard to forestry, it was meaningful for policy to be made at a higher level than Scotland. However it was felt that officials are risk averse in implementation and there was a tendency to gold plating and over interpretation of regulations. There was a call for restoration of more powers to FC Scotland and it was argued that governance was weaker in England and Wales.
- It was acknowledged that the majority of trade in plants is global and that the EU was well placed to negotiate on behalf of MS in WTO: there was no realistic alternative.
- The EU plant biosecurity shield is advantageous to MS: but it is only as strong as the weakest link i.e. the southern and eastern MS.

### **Looking to the future: What are the key issue for agriculture in the future?**

- Participants identified the key issues for successful agri-business: profitability in unsupported businesses (with a reduced CAP budget); labour regeneration (maintaining skills in industry and addressing issues to do with an aged workforce); and the ability of the industry to restructure under future CAP reform.
- A difference was identified between the needs of agricultural and rural policy and the question raised of whether they should be managed together – i.e. is the Common *Agricultural* Policy the right framework. Attendees questioned whether the CAP was the right policy framework for environmental protection. Separate but linked policies might work better.
- Future food security and affordability was an issue for EU citizens.
- Long term sustainability is a real issue – the CAP had a role to play in preventing the collapse of an industry which had lost skills, capacity and breeds.
- At the same time, farmers need to think more about how to make profits without subsidies.



- Participants suggested that a risk insurance scheme following the American model, with pooled resources, might help farmers to adapt to future pressures e.g. from climate change.
- The question was raised of whether the balance of power between the Commission and European Parliament was right, and it was suggested that political union holds back economic union. Political horsetrading in EU budget and CAP negotiations holds back progress in agriculture. In international trade negotiations, agriculture is being traded off against other goods. However it would be challenging for the UK to negotiate trade agreements by itself. The US prefers to make multilateral trade agreements which bypass the WTO, and perhaps there was scope for the EU to do the same?
- Participants felt that economic issues such as the customs union were best governed as community competence. However issues such as food safety were best governed through bilateral relationships between Member States.

## **Wales Workshop: 'The Welsh Perspective' (jointly with Fisheries Report in Cardiff)**

**Tuesday 3 December 2013**

### **Note of meeting and evidence for the Agriculture Report**

#### **Attendee list, 19 individuals representing:**

Chairman of the Welsh Federation of Sea Anglers  
 Dawn Meats  
 Farmers' Union of Wales  
 Hybu Cig Cymru  
 Institute for Archaeologists  
 National Assembly for Wales  
 Natural Resources Wales  
 PLANED  
 RICS Wales  
 Royal Society for the Protection of Birds  
 Welsh Government  
 Welsh Local Government Association

Participants discussed the following questions:

**Should the EU have competence for agriculture?**

**What are the benefits and disadvantages of the EU having competence for agriculture?**

## Benefits

- It was argued that EU competence for agriculture had significantly benefited the UK. It was noted that 80% of Welsh farmland is upland and is therefore classified as Less Favoured Area, with 56% designated as Severely Disadvantaged Area. One attendee argued that only with the introduction of the Agriculture Act had farming in the UK become profitable and that EU competence for agriculture helped to make farming economically viable.
- It was felt that EU competence for agriculture was of particular advantage to Wales as it provided a focus on rural issues which would not be as evident in UK policy-making. One attendee argued that Brussels had a greater understanding of the place of agriculture in the wider economy than London.
- It was mentioned that farming was not profitable without direct payments and that even with subsidies the average income was very low. It was stated that without direct payments, farmers would have to raise product price, e.g. by £40 per lamb, or else find ways to spend significantly less on production which was not feasible.
- Attendees discussed a range of counterfactuals and different options for subsidies. It was pointed out that Switzerland is outside of the EU but has higher levels of support than the EU. It was felt that it was difficult to gauge the advantages and disadvantages of differing competence scenarios as it was tricky to identify the specific costs of each option.
- Some attendees argued that EU competence was beneficial for trade agreements in agricultural products as the EU could negotiate as a bloc. Another felt that EU competence for trade was desirable because it protected UK production. For example, although after EU-Mercosur negotiations cheaper South American imports could negatively impact UK beef production, the free market situation outside the EU would be significantly worse.
- Attendees agreed that EU competence was necessary in order to embed wider environmental objectives in agricultural policy. Cross-compliance ensured that farmers met environmental objectives. It was also argued that it was advantageous to farmers to have a common EU policy, ensuring a level playing field as competitors across the EU are forced to take similar action to reduce their greenhouse gas emissions.
- One attendee argued that there was a misperception about the potential benefits of Member State competence in reducing red tape for agriculture. They argued that there would still be legislation even if competence was repatriated and that some non-EU countries have greater rules and regulations than EU Member States.
- It was also argued that outside the EU, the UK would still need a complementary regulatory regime to allow UK businesses to trade with the single European

market. One attendee argued that gaining access to the single market could be very costly to business and cited the example of the restrictions placed on Hungary pre-accession.

- There was discussion about the extent to which there was a level playing field within the single market. CAP direct payments which remained coupled were cited as an example of market distortion. It was agreed that although the level playing field was not perfect internally, options outside of the EU were significantly worse.

### **Disadvantages and doing things differently**

- One attendee argued that the UK could have “punched harder” with a different set of rules had it retained UK competence in areas which have negatively affected Britain e.g. sugar quotas.
- Although the UK fought for flexibility on implementation of the CAP, it was argued that this was not always respected by the European Commission. Some attendees felt that there was a climate of fear at the Devolved Administration level as a result of EU audits and heavy disallowance fines. The Welsh Government had asked for advice on its interpretation of certain rules, which the Commission had not provided. The cost of disallowance had had huge consequences for Wales and attendees argued for further guidance.
- It was felt that the UK was not making full use of derogations that it had secured in negotiations. For example, a derogation on when to test water in Wales had not been used even though it was designed for rural policies. Failing to use these opportunities had increased the burdens on business as the UK had essentially goldplated the water testing regulation.

### **Plant health**

- It was noted that plants and therefore pests and diseases were able to move freely within the EU single market and that it was difficult for the UK to take unilateral action to ensure biosecurity. Attendees argued that current EU processes were too slow to react to biosecurity risks – rules were always out of date and not reviewed regularly enough. One attendee argued that traded plants should be passported to ensure they are disease free.

### **Forestry**

- Attendees argued that forestry should remain Member State competence whilst the EU played a strategic role in joining up interrelated policies. Some argued for the EU to play a greater role in governance of forestry.

**How could EU competence be used more effectively? What are the alternatives to EU competence?**

- Attendees felt that EU competence for agriculture was “the least worst option”. While EU policy had its flaws, EU competence remained preferable to a return to UK competence.
- It was felt that the CAP should focus more on the environment, as ‘green’ reform would lead to greater financial security e.g. for farmers in the uplands.
- Attendees felt that the CAP reform process must begin earlier due to the length of time taken by co-decision. It was argued that the UK must engage early in the process.
- Some felt that a common EU framework meant that the CAP was insensitive to local situations. Attendees criticised EU ‘horse-trading’ which led to even less commonality. For example, greening was supposed to fit all Member States but elements such as the crop diversity requirements were too general and were unlikely to deliver the desired benefits. Likewise, there are EU rules relating to vines and olives which are not relevant to Scotland or Wales but still need to be applied and enforced.
- Attendees felt that the EU is increasingly moving away from a *common* agricultural policy. A case in point was how the recent CAP reform only allowed MS which already had coupled payments to apply for an increase – potentially exacerbating the distortion in the market.

### **CAP Funding**

- There was disagreement as to whether or not it was illegal to reward farmers for delivering environmental goods through Pillar 2 rather than simply compensating for income foregone. It was felt that as farmers provided environmental benefits such as enhanced biodiversity or water quality this should be recognised in public payments.
- Most attendees agreed that there should be a shift of funding from Pillar 1 to Pillar 2 of the CAP, arguing that Pillar 1 support inhibited innovation and development. Attendees argued that Pillar 2 funding improved competition, helped farmers to diversify and rewarded farmers for environmental standards to the benefit of all.
- There was pragmatism as to the possibility of an EU agreement to increase Pillar 2 funding. Attendees discussed whether the UK could withdraw from the CAP, enabling the UK to move all funding into Pillar 2 schemes, but it was felt that the consequences of leaving the EU would be worse than remaining. It was argued that a UK agricultural budget would likely be smaller than the EU provision.
- Some attendees argued that the transfer of CAP funding from Pillar 1 to Pillar 2 would make Welsh sheep and cattle production unsustainable and decimate the industry.

- Attendees emphasised that the Welsh economy was based on its rural economy, and it was felt that the benefits of direct payments were multiplied through the wider economy.
- It was argued that the Welsh Government needed to take an holistic approach to protect the broader economy. Attendees felt that the CAP budget would only reduce in the future and that the UK/Welsh Government should act now to help farmers and the rural economy to adapt.
- It was felt that Pillar 2 was particularly beneficial to the UK as it had supported the rural economy through the funding of rural broadband.
- Attendees were agreed that the CAP funding was critical to ensure synergies between agriculture and protection of the natural and historical environments. Benefits were provided both through Pillar 1 (e.g. greening and cross compliance) and Pillar 2 (e.g. funding to protect old farm buildings).

**What are the key issues for the future? Is EU/national/regional/international action most appropriate to tackle and benefit from these?**

- As the CAP budget would most likely continue to shrink, it was felt that greater market alignment was a key issue for the future. Destocking was a key issue because of the move away from coupled payments and realignment from a changing support market to self-sustainability.
- Attendees argued that there was policy incoherence within the Commission e.g. across DG AGRI, DG SANCO and DG ENV. It was also felt that the Commission was a key player which impacted on negotiations, but was not answerable through co-decision.
- Maintaining food supply was seen to be a key issue for the future - ensuring food security and affordable food prices. Attendees argued for effective land management and diversification to provide environmental benefits.
- Some attendees argued for greater co-funding, where EU and MSs agree on the objectives.

## Common Agricultural Policy Workshop

Monday 9 December 2013

### Note of meeting and evidence for the Agriculture Report

#### Attendees

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|---------------------------------|--|
| ACP-LDC London Sugar Group      | Increment Ltd                          |
| ADAS                            | Maltsters Association of Great Britain |
| Associated British Sugar        | National Farmers' Union                |
| British Poultry Council         | National Beef Association              |
| Clinton Devon Estates           | National Sheep Association             |
| CLA                             | Nottingham Trent University            |
| European Movement               | Overseas Development Institute         |
| Federation of Small Businesses  | Royal Society for the Protection of    |
| Farming, Food and Rural Network | Birds                                  |
| East                            | Wildlife Trusts                        |
| Food and Drink Federation       | Wine and Spirits Trade Association     |
| Foreign Office                  | Wm Morrison Supermarkets plc           |
| HM Treasury                     | Woodland Trust                         |

#### Introduction

1. Defra presented the aims and context of the Government's Review of the Balance of Competences and the scope of the Agriculture Report.
2. During the afternoon Associated British Sugar, CLA and the European Movement gave short presentations about their organisations' perspectives.
3. The workshop was focussed on table discussions of two key questions:  
**Are the objectives of EU agricultural policy the correct ones?**  
**How could the EU's current competence for agriculture be used more effectively?**
4. The following points were made in the course of the discussions.

#### Report of discussion sessions

##### *Are the objectives of EU agricultural policy the correct ones?<sup>188</sup>*

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<sup>188</sup>The Common Agricultural Policy was developed to meet the objectives set out in Article 39 of the Treaty of Rome:

- A. to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour
- B. thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture
- C. to stabilise markets
- D. to assure the availability of supplies; and
- E. to ensure that supplies reach consumers at reasonable prices.

- The TFEU objectives for agricultural policy were thought to be out-dated. In practice the Common Agricultural Policy (CAP) now goes beyond the TFEU objectives, for example with separate objectives for Pillar Two. Furthermore market conditions and operations were dramatically different now.
- Member States and the EU institutions all had different perspectives on what the CAP should achieve and the meaning of the TFEU objectives. It was agreed that objectives were necessary to be able to measure policy success, e.g. public benefits vs. cost. Attendees debated whether the objectives needed to be clarified for the future.
- It was agreed that availability of supply (objective D) and stability of markets (C) could not be achieved without taking a global view of policies - many decisions were now made at international level.
- Attendees criticised the absence of objectives for environmental protection and enhancement. It was felt that the objectives should recognise that the relationship between agriculture and the environment was two-way and fundamental. Objectives for environmental enhancement and increasing farm incomes could be in tension with one another.
- There was debate about the internal consistency of the objectives e.g. tensions between A and B. Other participants argued that A and B were incompatible with C and E. Some attendees felt that incentivising productivity should be a key objective of the CAP.
- While the CAP has enabled some investment in innovation in the UK and in the EU the policy objectives failed to include anything specifically on innovation so this did not drive the policy. Furthermore the CAP was insufficiently responsive to technological and market changes because it fossilised certain kinds of structures and approaches.
- Political differences between Member States meant each would have a different answer to the question "What are the objectives of the CAP?" More clarity was needed about where the CAP is heading. More certainty for investors about what the CAP would look like in the short and long term would stabilise markets, encourage investment and thus enhance growth.
- The future of the CAP depended in part on the UK's ability to achieve its desired outcomes in negotiation with other MSs, which place high value on different objectives. Negotiating the CAP's priorities given the trade-offs involved would be a significant challenge.
- The focus of the CAP's objectives was influenced by political changes in EU institutions (e.g. the future of the CAP depended on who was the next EU Commissioner for agriculture).

### *Objectives for the Future*

- Several participants felt that the objectives should look to the future and address relevant global issues. It was argued that challenges such as those identified in Sir John Beddington's Foresight Report should be recognised in the objectives e.g. balancing future demand and supply sustainably, food security, reducing resource use and adapting to climate change.
- Attendees discussed what food security and productivity would look like in the future, in light of climate change and growing populations. EU agricultural objectives would have to take account of these challenges, either through reducing reliance on international imports or raising productivity. However, it was argued that the EU did not necessarily require a common policy to tackle these issues.
- More investment in EU research and development was needed to address food security issues. A major future challenge was to make agriculture more environmentally sustainable, and the CAP was thought to have achieved a lot in this areas, e.g. without the CAP farmers would have limited incentive to farm in an environmentally-friendly way.

### ***Does the CAP deliver the objectives set out in the Treaty (TFEU)?***

- In terms of achieving a fair standard of living (objective B), it was argued that the UK and Malta were alone in having an agricultural income that was comparable to other sectors.
- While attendees felt that the CAP did ensure a fair standard of living for the agricultural community (B), it was considered inequitable as there were huge disparities in the amount of funding between recipients. It was argued that most farmers would agree that the system was broken, but that there was a genuine and legitimate fear that they would receive less money and couldn't compete if competence were repatriated. Subsidy payments were essential for the maintenance of rural communities.
- Other attendees argued that a UK agricultural policy would probably cost less overall and deliver better results.
- It was argued that if Pillar One support were removed, then land rent prices would come down, along with many input costs. Some attendees considered that farms would probably get bigger, but queried whether there would be fewer farmers or a loss of production as a result. It was argued that when subsidies were removed from the dairy sector, production had not reduced.
- Some attendees argued that the CAP failed to supply food at reasonable prices (E) e.g. consumers had to pay 35% more for sugar. It was felt that sectors outside Pillar One, i.e. pigs, poultry and horticulture, were more successful in supplying food at reasonable prices (E). However, EU influence in trade rules did contribute to achievement of this objective.



- Some argued that the CAP was successful in stabilising markets (C), as it provided a level of price stability for consumers e.g. the sugar market, which was beneficial to consumers despite the high cost. Likewise, attendees considered there to be market stability for lamb and milk. Common rules on food safety and animal health and welfare ensured a level playing field for farm businesses.
- There was discussion as to whether the CAP had been successful in increasing agricultural productivity (A). It was felt that up to 1992, the policy worked to increase production dramatically, nonetheless, compared with the rest of the world EU productivity growth in agriculture had underperformed. An exception was the sugar sector where productivity had immensely increased.
- It was felt that the CAP prevented industry from evolving in response to market signals – the nature of the regime meant that businesses had to respond to EU directives rather than responding to the market.
- Where there were issues that required regulatory intervention, there was often a time-lag between the emergence of the problem that needed to be regulated and the coming into force of EU Directives.
- One attendee argued that differing application of Pillar Two had impacted on competitiveness across the single market. While the UK focused on agri-environment schemes, other Member States invested more broadly in food supply chains.
- Attendees discussed the EU's success in meeting environmental goals as outlined in the recent CAP reform objectives. It was broadly considered that there would have been greater funding for the environment rather than direct payments if the policy had been designed to meet this objective explicitly.
- Some attendees argued that the CAP had caused damage to the environment (e.g. by encouraging overstocking and overproduction, removal of hedgerows, planting large areas of specific crops) and that reform had tended to focus on the consequences instead of the causes of environmental damage.
- Other participants argued that businesses and civil society rely on natural capital provided by agriculture. If the CAP were abolished new common rules would be needed about how to manage the natural environment. It would be preferable to retain the CAP and work towards modernising it and managing the trade-offs.
- A number of specific barriers at EU level to effective achievement of the CAP's objectives were mentioned:
  - Overly prescriptive rules and insufficient national flexibility
  - Too much regulation which is too complex
  - EU legislation focused on process rather than outcomes, inhibiting MSs from making decisions about how to deliver CAP objectives

- Disallowance: between 2005 and 2012 the UK had had to pay back £ hundreds of millions in EU penalties
- Unfair allocation of funds among Member States compared to contributions made by Member States such as the UK
- Costs of implementation for Paying Agencies such as the RPA
- MS level gold plating of EU legislation was also mentioned as a barrier.

***If agriculture is part of the Single Market, should the UK be part of a Common Agricultural Policy?***

- Some attendees felt that there was no need for the CAP to incentivise productivity as the market provided a driving force for productivity. However it was argued that a common agricultural policy was necessary for trade and competition, to maintain a level playing field.
- There was disagreement as to whether without the CAP food and drink could be part of the single market. Some felt that there would be trade distortion; others compared agriculture to sectors which function without a common policy, e.g. textiles.
- Attendees felt that without the CAP, UK farmers would be affected by higher subsidies elsewhere in the world. For example, the US claims to have a “free, unsubsidised” agricultural sector, but the Government often intervenes and has previously bought up huge amounts of excess poultry. While the rest of the world chooses to support its agricultural sector, the EU also had to act.

***How does it benefit the UK for action to be taken at the EU level on agriculture rather than at the national or devolved level, or other international organisations (such as the WTO?)***

- It was argued that the CAP provided funding and resources for the UK to achieve objectives for sustainable development.
- It was felt that in the absence of EU competence for agriculture, UK farmers would not be confident about the levels of support or funding that the Government would be capable of providing and its efficiency.
- A number of benefits specific to the sugar production sector were identified:
  - Efficiencies: the number of UK factories had reduced from 17 to 4, while productivity had increased by 60% in the last 30 years
  - Economic growth: the sector supported 13,000 in the UK
  - Price stability in base commodities such as sugar had allowed consumers to have a consistent supply, producers to invest in innovation, and the UK to honour its commitments to sugar producers in developing countries.

- Cumulative reform of other sectors under the CAP in the last 40 years had been achieved while maintaining stability in the sugar sector, allowing the sector to adjust to change
- The Balance of Competences Review was seen as a useful exercise in helping to modernise the CAP rather than it being an opportunity to question whether the UK should be part of the CAP at all. It was felt that food security should be considered in depth in the Agriculture report.
- The CAP needed to be fit for a more globalised world. It was recognised that the TTIP agreement could make a massive difference to the future of the CAP.
- Participants raised questions about the possible implications of Scottish independence for the functioning of the CAP. It was argued that Scotland already has a lot of independent power in this area, that an independent Scotland would want to be part of the EU, and the strong economic and business links between the different countries of the UK would continue.

### ***How could the EU's current competence for agriculture be used more effectively?***

- Participants suggested that the policy process takes too long and does not react to market changes. Challenges arise from the different 28 Member States' interpretations of the CAP.
- The need for common rules across MSs was holding back innovation in UK farming systems. For instance the UK has strong capability in bio-technology, but UK research expertise is not being efficiently used in the EU.
- It was proposed that the UK and the EU should be focused on food rather than on agriculture and how to make the food industry competitive and beneficial to consumers.
- One barrier to effectiveness that was identified was that successive CAP reforms have tried to address past problems but every new reform adds new challenges. Some attendees argued that the timing of CAP reform cycles was inefficient and costly.
- Most participants emphasised the need to re-define the desired outcomes of the CAP and how best to achieve them. It was suggested that food production should be emphasised in the policy objectives.
- One person felt that the main concern needed to be subsidising farms to produce more affordable food to meet current consumer demands around price.

### ***How successful are current policies in striking the right balance between a level playing field and flexibility to meet local and national needs?***

*Absence of a level playing field*

- There was considerable debate around CAP delivering a level playing field. There was also debate around what are our local and national interests, as many pointed to the tensions between for example food security and protecting the environment.
- It was noted that even within the UK, the playing field is not level as there are different payment schemes and payment levels across the devolved administrations – e.g. Scotland has a lower average payment than England, but also has continued using coupled payments. There was therefore the question about the fairness of CAP allocations.
- It was agreed that the multidimensional nature of CAP cannot truly deliver a level playing field, and that the level playing field argument was overblown, especially when it came to decoupled payments. Other factors matter more and vary enormously such as crop yields.
- Circumstances differ greatly across the EU. For instance, demonstrating equivalence when you have crop diversification is difficult to implement yet maintain flexibility across all 28 MSs.
- One person mentioned that the common standards agreed in the CAP should be the maximum that MSs should aim to achieve and there are other things MSs can do below these standards.
- It was felt that the single market acts as a safety net for agriculture through market intervention price mechanisms. The EU provided funding for agri-environment measures which may not be achievable at a local level.
- It was agreed that the common EU market framework was increasingly aligned with world standards and that EU policies had moved away from protectionism. The CAP was seen to facilitate trade, at a time when 60% of agriculture goods were traded across borders. Economic Partnership Agreements were cited as a mechanism that was pushing trade barriers to be reduced.
- The level playing field was seen as particularly important for food safety and animal welfare, maintaining standards rather than acting as a trade barrier.
- The particular challenges presented by the CAP in the wine sector were highlighted.
- Challenges to young farmers were also highlighted. One participant said that it was difficult for young farmers to develop their businesses because the current system keeps inefficient farmers in business subsidies. The single payment made it difficult for new entrants to start out in farming.

### *Greening the CAP*

- Concerns were expressed about greening measures. It was suggested that greening policies had been designed as a justification for Pillar One payments but that the measures would not deliver environmental gains.

- Crop diversity requirements risked making agriculture less competitive in the UK. Some participants argued that the requirements were based in central European regional issues and did not apply in the UK or meet UK objectives. The policy would lead to negative consequences in Scotland with regard to barley production. There would be added challenges for small scale farmers in Eastern Europe who faced difficulties because of lack of infrastructure to maintain three different crops efficiently.

### *How could the value for money of the CAP be improved?*

#### *Aims of CAP not clearly stated*

- Attendees felt that the aims and objectives of the CAP were not clearly articulated and that the stated aim can differ according to who was making the argument. The objectives set out in TFEU are outdated. It was said that over time the economic benefits of CAP have been undermined by political decisions. Some attendees felt that CAP was trying to deliver greater environmental benefits rather than economic ones.
- Other participants suggested that the value for money of the CAP should be measured in terms of three main issues: food production; maintaining the agriculture industry; and environmental standards.
- There was agreement by all that the CAP could be improved if it had clearer overall objectives, and that clarifying the objectives was the first step to really assessing and achieving value for money.
- The efficient functioning of the single market in agricultural goods was not thought to require such a costly policy.
- Attendees felt that New Zealand and Australia provided examples of how agriculture can remain competitive without subsidies. Some respondents felt that in New Zealand, production and innovation improved significantly when the subsidies were removed and there had been investment to promote New Zealand products. However it was also argued that the New Zealand approach had had negative environmental consequences.

#### *How CAP could deliver better value for money*

- Others thought that for the CAP to deliver better value for money there needed to be more explicit means for movement of funds from Pillar One to Pillar Two, as Pillar Two was about the delivery of public goods which had a clearer rationale than subsidy payments.
- Some attendees claimed that the CAP did not deliver value for money as it was not evidence based and various reports into the CAP had demonstrated this. Some thought that farmers see the CAP as an income stream rather than an incentive to improve production and sustainability, so we ought not to expect decoupled payments to deliver strong productivity growth. This contrasts, for

example, with the planned coupled payments in Ireland which aim to improve the genetic quality of its beef herd.

- It was also felt that the CAP should have a greater emphasis on competitiveness and efficiency. There was doubt about the value of coupled payments being used to protect ailing supply chains.
- Some attendees argued that the CAP's objectives were too costly both in absolute terms and as a proportion of EU budget. This affected consumers and producers e.g. the costs of sugar policy have been passed on to consumers (as well as to industrial users); the number of producers participating in agri-environment schemes has decreased because of high participation costs; there is a need for cutting down costs in certain areas as recognised in the abolition of quotas in the dairy sector and the sugar sector. Current tariffs are still extremely high for products coming into the EU increasing food costs to consumers.
- On a different note, it was suggested that within lowland farming for example, direct payments should be reduced and the funding used in Pillar Two for supply chain and environmental improvement.
- Some attendees also emphasised the need to focus funding on innovation and skills rather than direct payments which do not lead to change. A lack of innovation in the woodland industries was highlighted.
- The need to invest more in capital infrastructure with long-term benefits such as reservoirs, rather than subsidy payments was mentioned.

#### *Why the CAP does deliver value for money*

- Other participants took a different view and argued the case that the CAP did deliver value for money. It was pointed out that we should not view value for money of the CAP as being just about taxpayer spending, as there are important market distortions as well. Key to value for money is that the EU and the UK deliver public goods that the market cannot be relied upon to provide – environmental protection/improvement and research and development were seen as especially important. There were public misperceptions about the value of EU funds spent on agriculture in the UK and what it delivered.
- A point was made that the UK has not experienced wide spread hunger and food shortage since WWII and this was due in part to the CAP.
- Economic modelling (e.g. Scenar 2020) shows that in the absence of direct payments, aggregate production would drop by 1%, although the impact on individual businesses would be more profound. This 1% drop suggests that over time there has been increased de-coupling of support, and that CAP does not support production.

- Most attendees suggested that decoupled payments make a more market-driven and sustainable CAP but another argued that payments should be coupled to encourage food production.
- The example of Norway was cited where the Government provides very high levels of subsidy so its farmers can compete with EU Member States.

***What evidence is there that the balance of decision making between the Council of Ministers and the European Parliament on the CAP either: benefits the UK national interest OR disadvantages the UK national interest?***

- It was suggested that the co-decision process had no proven value as yet and that the six monthly Council presidency adds confusion. One person cited as a negative outcome from the co-decision process a delay in agri-environment payments with some farmers facing a two year gap in payments, with negative consequences for business engagement in rural development programmes.
- The European Parliament's role in policy-making was thought to be beneficial. But it was argued that the UK does not negotiate hard enough on agriculture and finance compared to other countries like France.
- The point was made that between political agreement being achieved at Council and the final drafting of legislation, changes can happen to policy. This raised questions over the certainty of what political agreement would actually lead to, and questions over how MSs were able to input into this part of the legislative process.

## **Plant health and Plant Reproductive Materials Workshop**

**Friday 13 December 2013**

### **Note of meeting and evidence for the Agriculture Report**

#### **Attendees**

British Potato Trade Association/ Potato Innovations Ltd  
 CLA  
 East Malling Research  
 Fresh Produce Consortium  
 Horticultural Development Company (AHDB)  
 Horticultural Trades' Association  
 National Association of Agricultural Contractors  
 Ornamental Aquatic Trade Association  
 Plant Heritage  
 Plantlife  
 Potato Council  
 Royal Botanic Gardens Kew  
 Tozer Seeds

## Introduction

1. Defra presented the aims and context of the Government's Review of the Balance of Competences and the scope of the Agriculture Report.
2. During the workshop the Horticultural Trades' Association and Tozer Seeds gave short presentations about their organisations' perspectives.
3. The workshop was focused on table discussions of two questions:

**What is the right balance between national and EU legislation in the area of plant health and plant reproductive materials (PRM)?**

**How effective is the current balance of competence in responding to the pace of change in the areas of plant health and plant reproductive materials?**

4. The following points were made in the course of the discussions.

## Report of discussion sessions

**What is the right balance between national and EU legislation in the area of plant health and plant reproductive materials?**

### EU competence and the Single Market

5. Most attendees agreed that EU competence was beneficial to ensure the functioning of the Single Market for plants and PRM.
6. However in relation to exports to third countries, some attendees noted issues arising from different levels of controls across Member States (MS). For instance the ease of obtaining certification in support of seed exports (a MS competence) differs significantly between MSs. Costs of permits also differ significantly across MSs.

### Risk-based approach

7. Some attendees pointed to the risk-based regime on aquatic animal health noting that this approach should be considered as a model for both animal and plant health regulatory regimes.
8. One attendee mentioned the targeted inspections that currently take place. This has the benefit of reducing the burdens to business yet minimising risk. An example is that the Food and Veterinary Office (FVO) focuses its inspections on high risk MS, for instance when Poland was targeted due to a high incidence of potato ring rot.
9. Participants commented that the UK applies stricter controls than MS such as Belgium and Holland. Higher standards in the UK may force businesses to take their trade to MS that apply lower standards thereby increasing disease risk elsewhere.



10. It was felt that trade in both ornamental horticulture and agriculture plant material had associated disease risks that come from the volumes traded and the pathways along which they are traded. EU measures such as plant passports which are designed to minimise risk are not perfect but generally do a good job in ensuring biosecurity. The passporting system is only as effective as the monitoring and auditing process that underpins it.
11. Attendees said that the EU needs to be more pro-active about sharing of intelligence between MS on pest/disease outbreaks as this could help with more targeted risk management. It was noted that while the FVO plays an active role here, it should do even more. The more information given to importers and traders, the better equipped they are to manage potential risks and this is vital for the survival of their businesses.

### **One size does not fit all**

12. Attendees commented on the intention of the European Commission to merge 12 Directives into one Plant Reproductive Material Regulation. Despite the advantages of a smarter, more streamlined system, there were concerns about the ease of applicability and whether the Commission's proposals would meet the stated objectives.
13. EU plant health legislation applies in all MS which means that northern EU MS have to enforce legislation for prevention of pests that only survive in southern EU MS. This shows one size does not fit all. It was felt that there ought to be better ways of controlling plant pathogens in areas where they are unlikely to establish and therefore not a threat to those regions of the EU. Zoning and regionalisation were viewed as key for a more successful regulatory regime. Such a scheme would benefit the UK e.g. in trade of potatoes to Russia. Currently Russia does not import potatoes from the EU due to problems with disease status of EU potatoes. The diseases of concern to Russia are not present in Scottish potatoes, so regionalisation could benefit the UK by facilitating a Russia-UK trade agreement for potatoes within the scope of the Single Market.
14. The problem of one size not fitting all was also cited in the ornamental sector. Some MS like UK and Netherlands have a diverse ornamental sector making it difficult to apply EU rules across the range of species. Hence, some attendees argued for having rules which varied by sector.
15. Other attendees argued that despite the difficulty of applying these rules in the ornamental sector, they needed to be applied across all sectors to minimise disease risk. Two reasons for strictly applying the rules were brought forward: (i) some ornamental plants are also used in the agricultural sector; (ii) disease can jump between species. So despite the difficulty in a one size fits all approach some argued that there was value in applying the rules universally.

## **EU and UK standards**

16. In the area of seed potato health there was a strong view that EU competence is working well. The seed potato sector has a good working relationship with the Food and Environment Research Agency (Fera) that applies strict standards with inspections. The efficiency of Fera was demonstrated e.g. with the quick resolution of the early 2013 case of ring rot. Strict application of standards means that the high quality of UK potatoes is recognised by third countries like Egypt.
17. Similar views were echoed about the ornamental sector and the good working relationship businesses in that sector have with Fera. However it was felt that Fera applies EU rules quite strictly compared to other MS, making it harder for other MS to export to the UK because of the stricter rules. That said, attendees did not think the solution lay in lowering the UK's standards, but perhaps persuading MS to increase their standards.
18. It was noted that it can sometimes be difficult for MS to raise their standards. This difficulty was demonstrated as the UK has had to slacken its rules for the import of seed potatoes as EU rules in this area are now harmonised at a lower (than UK) level. Slacker rules mean there are fewer inspections in fields, thereby resulting in a lower quality product with greater risk of disease. This lowering of UK's standards to harmonise with EU rules now makes it harder for the UK to export seed potatoes to some third countries like Egypt where standards are higher and previously akin to the high standards adopted by the UK.

## **Invasive species**

19. Several attendees commented that overall they felt that EU competence in the area of plant health was effective. However they felt that the EU ought to do more about non-native invasive species. A view was expressed that there is a lack of join up between invasive species regulations and the specific plant health regulation, yet there is an expectation from stakeholders for there to be a read across in the various pieces of plant regulation.
20. There was debate about whether trade description laws had enough bite to protect consumers who inadvertently purchased invasive plant species. There was discussion around the value of DNA testing to minimise this risk. DNA testing was seen as very expensive and impractical as the tests are not always effective in identifying the difference between two very similar species. The cost of DNA testing is an issue too as a typical nursery in the UK has over 2000 lines and mandatory DNA testing on this scale could be financially crippling. It was agreed that where DNA testing is commercially viable respondents saw value in a voluntary EU scheme.

**How effective is the current balance of competence in responding to the pace of change in the areas of plant health and plant reproductive materials?**

## **Proportionality of EU intervention**

21. Several participants stated that they favoured outcome-focused Regulations over Directives as they are directly applicable and better facilitate a level playing field. Though Regulations are more prescriptive it was felt they were generally proportionate and offered businesses flexibility. There are however instances where the draft Regulation were seen to be too prescriptive with too much detail. For example the strict rules on seed labelling dictate the font size, colours and logos that must be used. This is deemed excessive and often impractical in very small packet products.
22. It was felt that there needed to be more common interpretation of EU rules. Within the plant health and PRM policy areas, the balance of competences was not the issue: problems arose from differential enforcement. Whatever the legislative regime, participants said the priority was for UK businesses to be able to import and export plant materials with the same quality and efficiency levels as continental competitors.
23. Within the PRM regime, it was argued that the Commission's current reform proposals were disproportionate in encompassing PRM for amateur as well as commercial use.

### **Enforcement**

24. It was felt that current arrangements were generally effective and that EU competence was effective in maintaining biosecurity. However, participants also highlighted that this depended on how rules were implemented across MS. MS flexibility could undermine security and an EU wide policy required consistent EU level enforcement.
25. In general it was felt that the UK has a much higher number of inspections with associated costs than other MS. One stakeholder highlighted that imported products such as strawberries are often inspected visually, which is a limited method in comparison to biological testing. Participants said there should be better resourcing at EU level to enable more inspection across the Single Market.

### **International Trade**

26. Attendees emphasised that diseases do not recognise borders and free movement of goods added to the challenge of biosecurity. It was suggested that securing a commercial advantage from being an island could be achieved. As an island nation the UK should have a better understanding of what is being imported. However the opportunities from being an island can be overplayed.
27. Within the citrus sector attendees pointed out that disproportionate regulation is affecting trade. Plant health measures to protect citrus growers in other parts of the EU had to be applied to citrus imports to the UK regardless of the fact that no citrus is grown here. Legislative provisions for "protected zone" status were failing. The restrictions on citrus imports required by EU rules had a negative impact on economic growth in the UK without a commensurate increase in levels of biosecurity.

## Agility of the EU

28. There was general agreement that the EU is not agile in developing and implementing legislation. The example of fruit fly was cited: it has been present in the UK for more than a year but the pace of EU response has inhibited some action by growers. The UK approach to tackling this pest by preparing action and publicity in collaboration with industry was not reliant on the EU.
29. Knowledge or skills developed from risk management needed to be fed back to the EU, to support good practises and lessons learned. There was scope for the role of the European Plant Protection Organisation to be enhanced, alongside the European Food Safety Authority.

## Future challenges and opportunities

30. Attendees highlighted particular challenges when the UK faces an emerging pest threat. It was argued that speedy implementation was needed and EU mechanisms took effect too late. The UK is currently developing a pioneering plant health risk register and would make it accessible to the industry and trade.
31. Additional benefits such as access to research funding were mentioned: it was suggested that 20% of Cambridge University's research funding in these areas came from the EU for example.

## Consumer Roundtable (jointly with Fisheries Report)

18 December 2013

### Note of meeting and evidence for the Agriculture Report

#### Attendees:

Burrington, Tessa *Individual*  
Coleman, Kevin *Individual*  
Compassion in World Farming  
European Movement  
Institute of Food Science & Technology  
TaxPayers' Alliance

#### How does the EU approach to agriculture and fisheries benefit or disadvantage UK consumers?

One or more attendees raised the following points relating to agriculture:

- EU competence for animal welfare benefits consumers by setting uniform welfare standards across Member States. UK consumers can be assured that animals in other Member States are reared to common welfare standards to those in the UK. Legislation on veal crates, sow stalls and battery cages were provided as examples.

- EU competence assures UK consumers that food should be produced to the same safety standards and quality across all Member States. It is in the UK's interest to push for improved standards across the EU to raise standards whilst maintaining a level playing field.
- It was felt that EU level competence for agriculture was generally aimed at *producers* in the early stages. Consumers were therefore an afterthought and this led to policies that did not always reflect their interests.
- Total support to agriculture as a percentage of GDP in the EU has declined by three-quarters since the late 1980s according to the OECD. The move towards a more market based model has also benefited food production overall by lowering prices and providing a wider choice for consumers than before.
- A negative impact of the current market system was the increase in prices for consumers as a result of less favourable access to the market for cheaper imports.
- It was noted that taxpayers may not receive the best value for money from the current CAP system. It was felt that funding was not always being used to support the right sectors with examples given of golf courses and airports being supported.
- One disadvantage of the CAP is that it can tend to support industrial models of farming. The pollution costs to the environment of large factory farming practices are often hidden and not considered, and it was felt that the pursuit of sustainable agriculture was a priority for consumers.
- If taxpayers' money was withdrawn from funding the common agricultural policy it could potentially save the UK tax payer £1 billion a year. The UK has a better degree of transparency over CAP payments than other Member States but it is hard for the consumer to understand where the money goes, if it is at the right level or whether it should be cut.
- It was suggested that more needs to be done at an EU level to source food locally within each Member State rather than importing similar items between Member States or outside of the EU.
- Where CAP payments are used appropriately they can help achieve UK objectives. For example, supporting the transition to higher welfare systems which can encourage better practices throughout Member States. This can create broadly comparable standards across the EU that would not be easily assessed if governance was at a different level.

One or more attendees raised the following points relating to fisheries:

- It is noted that there is use of subsidies in fishing around the world. This is with the aim of lowering costs, maintaining employment and maintaining fish

stocks. Finding an appropriate balance between these factors is difficult to achieve.

- There has been a change in management approach in fisheries across the world as a result of greater understanding of fish population dynamics. The previous approach had led to a decline in stocks creating a problem which increased the cost of fish for consumers.
- It was commented that fish farming practices should also be considered. At present, harvesting of fish for fish feed can have negative impacts on other ecosystems. This principle was not thought to be fully considered under EU requirements.
- Effective enforcement of fisheries requirements was raised. It was argued that the perception of ineffective enforcement by other countries does not incentivise compliance and best practice in the fishing industry.
- A view was given that fisheries management decisions should be taken at a local level in order to provide appropriate accountability and ensure democracy in the decision making. There is a need to increase the feeling of ownership to improve the quality of decisions made.
- Some participants felt it was wrong that EU processes allowed landlocked countries a say in decision making on fisheries. It was argued that these countries were able to barter fisheries issues against other priorities, leading to decisions which did not meet the needs of the fishery. This problem was thought to be exacerbated with EU expansion.
- A view was given that while fish cross borders there is a need to make agreements with those that share fisheries but there are other models for achieving this other than the CFP. It was noted that there were benefits in EU level stock management in keeping quotas between Member States stable. However, some participants felt that management of stocks at national level would be more effective increasing quotas.
- It was commented that as part of the EU we have less say at international fora than other countries, for example Canada. This reflects that the EU speaks at these fora on behalf of all Member States. This has disadvantages when it relates to important issues or markets for the UK.

**From a consumer perspective, what future challenges and opportunities do you think will affect agriculture and fisheries policy?**

- Some participants felt that there should be greater consideration of trade in developing agriculture policy in a global market. The example was provided of sugar beet and sugar cane and the need to consider these products in an integrated way.

- Concerns were raised about support for biofuels, given the wider consequences these can have in terms of pollution or creating unsustainable markets that damage ecosystems in the long term.
- It was argued that we already produce enough food but are storing it wrongly by not distributing it to areas where it is needed most. How far EU competence exacerbates or mitigates against this problem is questionable but it represents a challenge for the future.
- The horsemeat incident highlighted many concerns for the consumer over the safety of food. This was linked to the importance of enforcement of food law to improve consumer confidence.
- The EU trading bloc can help to protect high standards. A large trading bloc has a lot of weight when trading internationally and can sometimes create an opportunity to increase standards of third countries. This is true for food quality but also ethical considerations.
- It was suggested that labelling is an important area for consumers which can be difficult to achieve at a national level due to the international trade in food. With increased complexity of the food chain, some consumers would like to see an increase in method of production labelling across a wider range of their food. It was argued that this would be best achieved multilaterally, such as through the EU.
- Some attendees argued that not all UK consumers are convinced of the safety of GM food. It was argued that there was a pro-GM lobby which ignores consumer choice and that there is not a scientific consensus on the safety of GM. It was suggested that Defra (and therefore the UK) was becoming progressively pro-GM, and that it was positive that EU processes had slowed the introduction of GM products to Europe.
- Consumers are concerned about climate change and sustainability. In the future, it was argued that the consumer would benefit from an EU and UK agriculture policy that follows the principles of agroecology and sustainability.

## Academic Roundtable

Friday 10 January 2014

### Note of meeting and evidence for the Agriculture Report

#### Attendees:

|                                  |                            |
|----------------------------------|----------------------------|
| Professor Allan Buckwell         | Professor Janet Dwyer      |
| Professor Alan Swinbank          | Professor Michael Cardwell |
| Professor Berkeley Hill          | Dr Olga Kehagia            |
| Professor Brian Revell           | Professor Robert Ackrill   |
| Dr. Fiona Smith                  | Dr Stephen Ramsden         |
| Professor Francesca Romana Medda | Professor Wyn Grant        |
| Professor Ian Hodge              |                            |

#### Introduction: current status of EU competence

This issue was introduced by Professor Alan Swinbank.

Competence for agriculture is shared. While the Common Agricultural Policy is EU competence, there are also many areas of national competence; taxation, planning law and landlord-tenant law all impact on agriculture across the UK.

Agriculture is an integral part of the European Union's (EU) single market.

As a common market, the EU speaks with one voice in the World Trade Organisation (WTO). The UK cannot therefore pursue regional trade agreements or set its own tariffs.

There are three main justifications for EU competence:

1. to preserve the integrity of the internal market
2. redistributive policies to bring equality in living standards to disparate regions
3. to ensure the provision of European public goods

These justifications can be applied to several areas of EU level policy-making - market regulation and price support; direct payments; rural development; plant health (and animal health and welfare and food safety).

Market Price support – as long as market management policies remain they need to be in place in common across the Single Market. Relatively little market support remains in EU policies compared to previous decades.

Direct payments – if payments were fully decoupled there should be no impact on competition from differences in payment rates, so payments could be left to national discretion and financing. However in reality, they are multifunctional and not completely decoupled. In economic terms, direct payments will tend to subsidise



inefficient farming. In political terms, they are often seen as ensuring a 'fairness' of levels of funding across Member States with funding effectively used as income support for vulnerable regions.

Rural development policy is often justified with the argument that it provides a public good, even though it is difficult to define a *European* public good.

### **Subsidiarity and EU competence for agriculture**

The following points were made by one or more participants.

- Attendees were agreed that the level of decision making has to suit the issue at hand (the principle of subsidiarity). EU competence is appropriate for transboundary issues such as the environment, but local decisions should be made for local issues, and detailed points of implementation.
- The EU has competence for agriculture due to historic reasons relating to the functioning of the common market. Those fundamental arguments remain unchanged to this day.
- The UK has always had competence for taxation, which has a substantial impact on the agricultural industry. The level of taxation for farming varies significantly across Member States.
- There are also many small provisions which are not explicitly stated in the Treaties and allow Member States to act differently to suit their own circumstances.
- Realistically, Article 39 (the objectives of the Common Agricultural Policy) is not removable from the Treaty. If the UK left the EU, difficult decisions would have to be made as to the form of the UK's agricultural policy, as it would have to work alongside the CAP. As the UK is a large contributor to the EU budget, the CAP would also look different without the UK.
- It was argued that some policies are more efficiently organised at a supranational level and reduce costs on smaller Member States. The argument for cohesion (strengthening economic and social disparities across the EU) does however depend on the willingness of Member States to share efficiencies, as gains may not be universally received.
- Moreover, while there is logic in having the same regulation across 28 Member States, the efficiency argument only works if the single structure functions well. While costs may be minimised, there may also be inefficiencies due to compromises if the optimal policy cannot be agreed.
- There were concerns raised as to the opportunities the UK has to influence some elements of EU policy-making, as some decisions are taken by committees where lines of accountability are indirect. There should be greater transparency for areas which impact on the national interest e.g. decisions on pesticide approval when competitor third countries have approved different chemicals.

- Competence for trade is controlled by WTO agreements. Even if the UK wished to rebalance competences with the EU, it would remain constrained by WTO rules. e.g. market price support couldn't exceed the rules which were put in place for the EU.
- There was discussion about the multi-functionality of direct payments. If they are in place to ensure 'fairness', the policy could be constrained by the WTO's Green Box, which is very well defined.
- It was felt that over the years there had been a move towards renationalisation of aspects of the CAP in both Pillar 1 and 2. This was largely due to enlargement of the EU and the consequences of geographical diversity. The question was asked as to what extent this eroded the basic principles of the CAP.
- Attendees considered how to measure the costs and benefits of policy making – could for example maintaining the condition of landscapes and the natural environment in other Member States be considered a European public good? If so, it was felt there was a strong argument for supporting a European approach to agriculture and the environment.
- It was argued that Pillar 1 did not provide public goods – it is essentially compensation for the loss of previous CAP schemes (e.g. higher market price support and coupled payments) – indeed it is designed to avoid changing farming choices and not distort the market. Agri-environment measures in Pillar 2 (in England, the Environmental Stewardship schemes) are ways in which CAP can support public goods.
- Attendees considered whether the CAP was an acceptable price for being part of the single market. It was felt that the benefits and disadvantages could not be weighed without knowing the counterfactual. i.e. what UK policy would be outside of the EU.
- Increased productivity was one of the original objectives of the CAP, but as this had had negative side effects, the aims have since broadened. The new framework is more linked to the environment. Competence remains at an EU level where the framework is set, but the tools to meet objectives vary at a Member State level. Therefore the question arises as to how far Member States agree on those objectives.
- The CAP should be about goals, not about the process. It would be beneficial to recast the CAP to reflect social goals, environmental public goods and the consequences of enlargement.
- The issue around tools and flexibility for the UK to achieve its aims is not about competence. Attendees agreed that there was a need for overarching EU level decision-making for the single market and environment. At a local level, problems with implementation, such as disallowance and audits, did not relate to the debate over competence.

- There was criticism that direct payments were designed to keep the subsidies in place without violating WTO green box rules, rather than to meet policy aims of the CAP.
- Flexibility when implementing the CAP could lead farmers in different Member States or regions to feel aggrieved by reason of the differentiated regimes. For example, in the UK, implementation of GAEC (the maintenance of land in good agricultural and environmental condition) under cross compliance rules was stricter in England than in the other Devolved Administrations. These burdens on English farmers had given rise to a sense of unfairness (but survived challenge before the European Court of Justice).
- It was argued that the UK benefits from being part of free trade agreements with the EU, e.g. TTIP, where having one EU voice is an advantage.
- It was argued that the CAP was behind broader EU aims concerning the environment. Article 39 is not advantageous to UK and needs redrafting as it doesn't reflect the aims of the mainstream green economy approach.

### **Value for money of EU spending and possible alternatives**

This issue was introduced by Professor Robert Ackrill.

There are policy instruments available that would most likely better deliver on the policy goals than those currently used, under both Pillar I and Pillar II of the CAP.

It is likely that value for money has improved with CAP reform, since the UK has played a significant role in helping guide the CAP to align its policy instruments and objectives. Under the 'Tinbergen Principle' there should be at least as many policy instruments as there are policy goals. Whilst under Article 39 there were multiple, and maybe contradictory, policy objectives for the CAP to delivered largely through price support, we now have many more policy instruments if accompanied by more policy objectives.

Can the effectiveness of a redistributive policy even be judged in terms of value for money? Direct Payments deliver a higher percentage of fiscal transfers to their intended targets than did price support. However, unlike Pillar II policy instruments which are designed to deliver specific outputs, Direct Payments have no clearly defined outputs designated for them. It is inevitable that an assessment of value for is difficult to judge.

Value for Money also requires consideration of the objectives of the CAP. The Article 39 objectives are rather vague, possibly out of date, and give no guidance at all to the appropriate level of spending required to deliver each objective. On the other hand, these objectives have not constrained policy-makers in their reforms of the CAP, nor of the development of further policy objectives.

The following points were made by one or more participants.

- It was felt that the objectives of the CAP in Article 39 are vague, out-of-date and provide little guidance as to the level of CAP funding.
- Although Article 39 remains, new objectives have impacted upon the design of the latest CAP reform and led to new measures. There are now more policy goals, but also more policy instruments.
- It was argued that the logic of Article 39, and the CAP objectives it contains, have been ignored. The first objective emphasises productivity and the optimal allocation of agricultural resources as a means for achieving the second objective (related to the standard of living of agricultural households). But market price support and direct payments appeared to be used as a direct route to the second objective without proper consideration of their impact on the first objective.
- It was argued that there is a need to embed horizontal policy measures in agriculture to join up policy-making. e.g. environmental protection and sustainable development.
- If the CAP were linked with wider European land management policy, e.g. biosecurity, climate change, water policy, then spending at 0.4% of Gross National Income would not necessarily be excessive. If policies were integrated properly however, the funding wouldn't be distributed in the same way.
- It was argued that there is no CAP that would ever suit the UK given its history and that the UK is a net importer of agricultural produce with a relatively small agricultural sector. It was felt to be unsurprising that the balance of competences exercise was only happening in the UK, as it would never find a common agricultural policy comfortable.
- It was felt that with any objective analysis of the CAP, it did not provide value for money. Moreover, the UK has less value for money than other Member States due to its very small share of Pillar 2. Pillar 2 funds are lower in the UK because of the history of UK not using funding streams that predated Pillar 2.
- It was also argued that the UK abatement and concerns about the size of the EU budget mean that the UK's approach to the CAP is different to other Member States, with less focus on pushing for greater benefits from the CAP.
- Attendees argued that the interests of the wider UK economy and the agricultural community are distinct. e.g. reducing spending, increased RDP funding.
- It was felt to be difficult to identify and quantify the output generated by EU funding for agriculture. There were some environmental benefits, but the same outputs could probably be achieved in a different way. There is an incorrect assumption that the same level of payments is necessary, but farmers have proved themselves to be responsive and able to adapt to change. Much lower expenditure is a possibility.

- Direct payments ensure that resources are retained in the agricultural and rural sectors. Some Member States would argue that the result of support is to make unviable businesses viable and they feel this to be a worthwhile objective.
- Pillar 2 is not the ideal vehicle, but it is a mechanism to achieve sustainable goals and some countries have a larger Pillar 2 than Pillar 1 budget. There isn't a huge outcry from the public as to the amount of spending on agriculture as it is comparably low compared to spending in other sectors.
- It was pointed out that Pillar 1 is designed not to distort behaviour (WTO Green Box rules) so there shouldn't be quantifiable outputs.
- Attendees considered whether it was possible to achieve value for money when today's distribution of EU funding is a result of past distribution (compensatory payments). There is seemingly no end to the process of compensating for previous CAP arrangements, and this doesn't make sense when the aims and goals of the CAP are changing.
- It was argued that direct payments are designed to facilitate change in production decisions and that this fits with the UK's obligation to ensure global food security. The UK produces a comparatively low volume of food compared to the area of its holdings.
- A number of attendees argued that direct payments are not justified on (global or EU) food security grounds. For example, direct payments inhibit the process of structural change whereby land moves to more efficient farm businesses, so productivity improvements are inhibited.
- It was argued that if the CAP were about the redistribution of wealth, then CAP funding would be given to different beneficiaries.
- It was observed that there is remarkably little clarity about what Pillar 1 direct payments are for, especially given the size of the budget allocated to them.
- In some areas of the EU, CAP Pillar 1 funding provided a public good by encouraging the occupation of land for security reasons, rather than to encourage production.
- It was felt that Pillar 1 payments to disadvantaged areas were hugely important to some other Member States. This is due to cultural reasons where large areas of territory are farmed agricultural land. It was argued that there were environmental and social benefits in slowing the depopulation of certain rural areas. This was also the case in upland areas of the UK. These benefits are naturally difficult to define.
- Attendees questioned whether the EU needed to keep the same number of farmers as it was the farming system that determined landscape and environmental features, not the number of farmers who used the land of farm size. Farming systems will change in the future.

- One attendee argued that due to complexity there were significant problems with performance in the implementation of Pillar 2 in the UK. Many Member States lack the institutional capacity or motivation to be innovative in policy design and delivery, and the costs and value of different delivery approaches are insufficiently examined, which means that policy delivery is not always cost-effective. Even the UK suffers from this problem, linked to institutional reorganisations and a lack of sustained policy learning. It was argued that the European Commission issues guidance and templates requiring copious data on hard targets and indicators, and resources are wasted on these mechanistic processes while insufficient resources are available to think more strategically about how to get the best from measures. Generally, it was felt that the UK Government's fear of disallowance through auditing, combined with rather simplistic ideas in Brussels about, e.g. the primacy of ensuring objective and verifiable justifications for funding; meant that the system was persistently under-achieving against its own goals. Pillar 2 is subject to an extra layer of unnecessary rules compared to other funding streams because it is linked to the logic of Pillar 1. The EU needs a more project based approach.
- The majority of attendees agreed that the current CAP did not provide adequate value for money. There was broad consensus that there is significant room for improvement of the CAP, however one attendee was not convinced that non-EU alternatives would provide any better value for money.