## **Farming Update January 2020**

## **Brexit and Climate Change**

The two huge factors of Brexit and Climate Change mean big changes for farming in the UK over the next few years, and for farming the two are linked in that the changes needed to protect the environment are being entwined with the changes to the system of farming subsidies that we will migrate to post Brexit.

Whist the agreement of the Brexit transition period has brought stability at least in the short term, this year of post Brexit trade negotiations will be crucial for our farmers both in terms of import and export tariffs and in food and farming quality standards.

The continuing influence of veganism as a response to climate change remains of concern to farmers. Such discussions need to be balanced with the environmental benefits of buying locally and seasonally, and the relative performance of British agriculture compared with some imported foods.

The Agriculture Bill was re-introduced to parliament on 16<sup>th</sup> January 2020. This builds on the Bill introduced last year which ran out of time before the General Election. Essentially it lays the ground work for a new basis for supporting British Farming post Brexit with the emphasis on subsidies based on good environmental practices. The current Basic Payment System (BPS) will be phased out over a period of seven years, to be replaced by the new approach of "Public Money for Public Goods". The Bill has changed in several ways since its first introduction with more emphasis now on food security and encouraging food production, but there is still concern that the Bill does not commit to upholding British farming and food standards in any trade negotiations.

You can read an analysis of the main changes in the new Bill from the NFU <a href="here">here</a>; Minette Batters' (NFU President) view on the Bill <a href="here">here</a>; a report from the Daily Telegraph quoting Teresa Villiers (Environment Secretary) on the subject <a href="here">here</a>. The Bill itself can be found <a href="here">here</a>

Another major publication (23<sup>rd</sup> January 2020) is the report from the Committee on Climate Change (CCC) entitled "Land Use: Policies for a Net Zero UK". The CCC provides independent advice to the government on building a low-carbon economy and preparing for climate change. This report concludes five key findings being to increase tree planting, encourage low-carbon farming practices, restore peatlands, encourage bioenergy crops and reduce food waste and consumption of the most carbon-intensive foods.

You can find both a summary of the key findings and a link to the full report here.

If you would like to read about the NFU's report on UK farming becoming net-zero by 2040 - 10 years ahead of the current government deadline, see <u>here</u>.

## Weather, Crops and Prices

The weather in 2019 held well until the end of September, when it started to rain and hasn't seemed to stop much since! This made the autumn 2019 maize crop difficult to get in in some cases. Because of the earlier dry, hot summer the maize had grown very well and yields were high, but where the crop had to stand in the fields, quality began to deteriorate.

Unless sowing was very early – in September when the weather was fine – the wet autumn also meant that less acreage of arable crops was able to be sown, and some fields that were sown have large areas within them where the seed failed to germinate or the seedlings rotted.

This will mean much more corn will be sown as a spring crop this year, which means yields will be lower come harvest time. The average yield for winter sown wheat is 4 tonnes/acre but only 3 for spring sown – and this is highly dependent on the summer weather.

Livestock farmers have good stocks of feed, so most will be able to cope with a long winter, but there is upward pressure on corn prices which will affect most farmers this year. Good if you are selling but not so good if you are buying!

Last summer was good for sheep with the warm weather and good grass and consequently there are less fat lambs left to go to market than usual at this time of year. The price of lamb is therefore quite buoyant at present.

Beef prices are low. This is partly due to a change in export patterns where more EU beef (especially from Ireland) is being exported to the UK instead of to mainland Europe, so the excess has resulted in lower prices. Danny comments "Beef prices have been dismal for too long now making production unsustainable. Brexit has now been decided, so hopefully that will put some certainty back into the market". Complications may arise post Brexit because most of the beef processors are Irish, which means much border crossing. Store cattle prices are improving.

The milk price varies according to the purchasing dairy and the purpose for which the milk is supplied. Generally the milk price has held over the winter for most and we have probably had the longest period of stability in terms of price for several years but some cheese producers have struggled to maintain their prices. There is some also uncertainty for those who supply Arla what the effect of Brexit will be. The cost of buying new dairy cows is quite high which is slightly odd with dairy farming remaining a precarious business.

The continued wet winter weather has led to slurry storage problems for many, so a good dry spring is needed to help with this.

## **Farming Community Network News**

From an FCN point of view, Joanne Jones reports that since April 2019 calls have been up by more than a third – so please continue to pray for our farmers and especially those in your own parishes.

This year is the FCNs 25th Anniversary several events are planned – would your church like to join in?

The FCN are also encouraged that many farmers groups are now asking them to talk about mental health and so hopefully the stigma around mental health will continue to be challenged and overcome.

Compiled by Penny Dobbin with input from Joanne Jones, Danny Semorad, David Ursell and David Moore