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Brexit could mean wreck-it for farming, claims speaker

Britain's decision to leave the European Union will have profound and potentially damaging effects on the farming industry, a meeting of supporters of a Nottinghamshire farming and rural charity has been told.

Leading food and farming analyst Sean Rickard told more than 100 farmers and landowners at the annual meeting of Nottinghamshire Rural Support - a charity that supports farmers suffering from stress - that the extent of the damage to farming would depend on the type of Brexit eventually negotiated by the Government.

He conceded there would also be opportunities for some but thought the complexities and costs of leaving the EU might yet lead the Government to rethink or, at the very least, to seek a so-called 'soft Brexit'.

Mr Rickard, a former chief economist for the National Farmers Union, said that any exit from the EU would almost certainly mean a significant reduction in farm subsidies.

"Every paper coming out of government for the past two decades has looked forward to an end to the kind of farm subsidies we have seen in the EU so anyone who thinks subsidies will continue in anything like their present form after Brexit is kidding themselves," he said.

He said the least damaging result for farmers - short of no Brexit - would be a soft Brexit option that would leave Britain within the single market, while continuing to make some payments to the EU and allowing the free movement of EU citizens.

A hard Brexit - where Britain leaves the single market and introduces more controls over immigration - would, on the other hand, most likely be disastrous for farming, he said.

"Clearly, the extent of the damage depends on the terms to be negotiated but EU leaders don't want other countries to follow Britain out of the EU so it is not necessarily in their interests to give us a good deal," he said. "We might well end up relying on World Trade Organisation rules when trading with Europe and that would mean the imposition of tariffs."

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"Now, it's true that average tariffs across all goods are no longer particularly high but that is because many goods have no tariffs at all. The tariffs on some agricultural products, on the other hand, are very high so export sectors would be hit very badly and sheep farmers, in particular, would face enormous difficulties."

Mr Rickard said controls on immigration would also badly affect labour-intensive sectors of farming and food production, with East European labour vital to horticulture, in particular.

In the medium to long term, Mr Rickard said the combination of reducing subsidies and falling exports would force many businesses to the wall and lead to a large-scale restructuring of farming.

"The good news is that we will still have a farming industry and land will continue to be farmed," he said. "Without subsidies and with falling profits, land prices will fall so costs will reduce. The land will be farmed by a smaller number of bigger businesses and farmers will look to use latest technology and science to improve efficiency and stay competitive."

Nottinghamshire Rural Support chairman Peter Geldart said: "Clearly, no-one has a crystal ball or the ability to predict the future but Sean's thoughts about the possible consequences of Brexit were extremely sobering, even if he was ultimately optimistic about the eventual long-term future of British agriculture as a whole.

"People in the meeting clearly had differing views on Brexit but, if he is right, then the shape of farming in this country will change and many ordinary family farmers will face extreme difficulties. Much will depend upon the attitude of both government and the public towards food production, as well as the ability of farmers to innovate.

"In Nottinghamshire, we have some of the best and most forward-looking farmers in the country and it is the aim of NRS to do our bit to help ensure that, physically and mentally, farmers and their families are in robust enough health to meet the challenges ahead."

-Ends-

Mr Rickard is a former chief economist for the National Farmers Union and also director of the MBA programme at Cranfield University. Since 2011, he has been an independent economic analyst and is a government adviser and a regular broadcaster.

Nottinghamshire Rural Support's helpline number is 0800 1381710.

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