

Information correct as at 12:00pm on 15.05.2020

- The Agriculture Bill is going through parliament with no amendments to protect food standards
- Farms need to plan for changes to subsidy system and reduced support from 2021
- Clean Air Act (England) is within the Environment Bill and will directly affect dairy farming
- Businesses must continue to factor in the costs of compliance which are still scheduled to be imposed within 5 years.
- Trade negotiations with EU and US are proceeding with government insisting on no delay

Covid-19 is a crisis which is touching all lives and businesses and it is easy to think the world has completely changed as a result. However, this is not currently the case as far as government policy for leaving the EU and future Agriculture/Environment Policy (England).

## Agriculture Bill

The Bill, which will set out the agriculture policy beyond the end of the transition from EU policy has now passed its third reading in the House of Commons. This is proceeding in its original form without major amendment, so the concerns raised that there is little protection for food standards on imported product remain.

The Agriculture Bill sets out the changes in subsidy support for farmers over the period 2021-2027. Although dairying only sees around 5% of its costs supported by Basic Payment, businesses will need to prepare for adapting to a system with lower payments linked to public good or seeking out support via grants on productivity improvement.

## Environment Bill

The Environment Bill, which includes the clean air strategy for England, is proceeding through parliament and currently at committee stage (delayed until 25<sup>th</sup> June). The Bill will sit alongside climate change legislation requiring the country to meet NetZero by 2050. Thus, it addresses resource efficiency, single use plastics, product lifespan and waste.

New laws are proposed to control ammonia emissions from agriculture covering livestock farming and nitrogen fertilisers including permits or licences for dairy farms.

Defra is already working on legislation, including:

- Requiring all slurry stores to be covered
- Banning splash plate slurry application
- Stopping the spreading of urea fertilisers without inhibitors
- NVZ type rules for fertiliser, slurry and manure spreading across the country.
- Specific “approved” designs for new cattle housing, replicating rules seen in Holland.
- ALL Dairy and Intensive Beef to have to have an environmental permit, a form of licence, issued by the Environment Agency by 2025.

While awaiting further detail, all these elements will require changes to management practices, substantial investment and more administration.

At present there is no apparent change to the elements of the legislation or the timetable and so businesses must take account of this in their long-term planning with their consultant and stakeholders.

---

## **EU trade negotiations**

The Government continues to pursue a December 2020 exit from EU transition insisting that an extension will not be sought before the July deadline.

Talks between the UK and the EU continue this week with the fourth round of negotiations due to take place on 1<sup>st</sup> June.

It is believed that limited progress was achieved in April, with fisheries, competition rules and policing of the trade deal continuing to be problematic.

## **US trade negotiations**

The first round of Free Trade Agreement negotiations between the UK and the US commenced last week and will last approximately two weeks with further rounds taking place approximately every six weeks.

Key objectives for the UK are to increase the export of food and agricultural products along with services. The UK continues to highlight that our high standards on food safety and animal welfare will be upheld. The difficulty will lie in ensuring that details in a US deal do not conflict with those set out in a UK-EU deal. There appears to be a high level of activity to proceed with a deal with the US to apply pressure to the EU trade negotiations.

## **Other trade negotiations**

The UK is seeking to negotiate trade deals simultaneously with objectives for a free trade deal with Japan published this week and discussions to start shortly. This trade deal is more ambitious than the EU-Japan arrangement.

Negotiations with Japan are seen as an important step in the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade deal signed by Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The Department of International Trade have bold objectives with the aim of having 80% of the UK's export trade covered by free trade agreements by 2022.