

A VISION FOR A NEW UK AGRICULTURAL POLICY

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I regard myself as pro-European. I like the idea of countries cooperating together. After the terrible events in Brussels yesterday, we should stand shoulder to shoulder with Belgium and other partners to confront terrorism. However, there is a difference between being pro-European and being in favour of the EU system of government.

At the heart of the debate about EU membership is one central question. Is it better to have control and the ability to decide? Or, is it better to exchange that control for a seat at a table where you may, sometimes have some influence.

I believe there is a special value in having the ability to act, to decide and to get things done. Where we have control we can bring clarity and consistency. We are more agile. We can act decisively and quickly to deliver change where change is required. But where power has been ceded to the European Union, we see inertia, inconsistency and indecision.

When you look at our proudest achievements in the EU, they offer clues about where our future lies. The achievements we cherish most of all are those where we have secured opt-outs from EU initiatives.

Margaret Thatcher secured an opt-out from elements of the EU budget in the rebate deal and, to this day, safeguarding this opt out is the number one priority for the Treasury.

John Major secured an opt-out from the Schengen Agreement so we retained some border controls. As we face an immigration crisis in Europe, we breathe a sigh of relief that we never signed Schengen.

And, of course, we all count our lucky stars that the British public ignored Tony Blair and remained resolutely opposed to joining the euro and giving up control of monetary policy.

We have never opted out of any EU initiative and regretted it. On every occasion we have chosen to retain control we have proved that we can deliver better outcomes. That ought to tell us something: we are not very comfortable with the idea behind the European Union.

And as we face this referendum, we ought to ask an important question. If we were right to opt out of the euro, right to opt out of Schengen and right to secure the budget rebate, then where else would it make more sense if we took back control? What are the areas where we should have had an opt-out but didn't manage to get one?

Today, I am focusing on just such an area: agriculture. I grew up on a farm, went to agricultural college and spent ten years working in the farming industry. One of the things that drove me into politics was my experience of the growing volume of pointless paperwork and spirit crushing regulation affecting the industry.

The CAP has been a central policy of the EU from the beginning and accounts for almost 40 percent of the EU budget. We give our money to the EU, convert it into a foreign currency creating unnecessary exchange rate risk and then get about half of it back with lots of strings attached. The system has been through various changes over the years but remains a centralised and bureaucratic policy. In its current form, it attempts to codify and regulate almost every conceivable feature of our landscape and almost every conceivable thing that a farmer might want to do with their land.

Some 80 percent of legislation affecting DEFRA comes directly from the EU. It is all pervasive: how many farm inspections there must be in a given year; what proportion of those inspections must be random; how much a farmer must be fined if they make a mistake; how much they should be fined if they make the same mistake twice; the precise dimensions of EU billboards and plaques that farmers are forced to put up by law; the maximum width of a gateway; how we define a hedge; whether a cabbage and a cauliflower are different crops or should be deemed the same crop for the purpose of the three crop rule. The list goes on forever and it's stifling.

Compliance with this plethora of farming regulations is enforced through a complex and rather dysfunctional system of penalties called "disallowance". Auditors working for the EU Commission can levy fixed percentage fines against the government on the entire CAP budget for perceived breaches in the enforcement or administration of regulations. When there is disagreement, there is a mediation process but it is designed so that the Commission holds most of the cards. The UK is typically fined in the region of £100 million a year for a multitude of mainly trivial breaches of the rules, none of which actually matter much in the scheme of things.

Collectively these rules and the way they are enforced manifest themselves as a rival power to the decisions of accountable ministers. The combined effect of having complex regulations that attempt to codify everything and a draconian, unpredictable system of fines creates an atmosphere of perpetual legal jeopardy in a department like Defra. It militates against good governance. Every farming minister is condemned to hear the words "disallowance risk" every day of their working lives. No one knows where they stand because there is such a morass of rules and it all depends on what a particular auditor on a

given day might retrospectively decide. So, however hard we try to abide by the rules, it is inevitable that the British taxpayer will be routinely stung by fines. This makes people risk averse and afraid to consider doing things differently. And it means that Ministers spend far too much of their time wrestling with lawyers before they can get anything done at all.

The constant pull of EU law makes trying to do the simplest of things curiously complicated and often impossible. Let me give you one example: soon after becoming Farming Minister, my ministerial box contained a submission where I was asked to sign off the final appeal decision relating to a farmer's support payment for the year. His wife had always done the paperwork on the farm but she had sadly died of cancer. With everything going on in his life, he had missed the deadline for submitting his application form. At each stage of the appeal process, people said the same thing: that they felt tremendous sympathy for the farmer but due to strict EU rules he must forfeit his entire payment for that year.

I disagreed, so sent back an instruction to pay him. He had just lost his wife and, after all, deadlines are arbitrary. A few days later, a group of worried looking lawyers and officials trooped into my office to explain the intricacies and risks of the EU regulations and to invite me to reconsider. Then we argued about it for the next six months until I finally got the decision I wanted. Fighting cases like this is a constant feature of my job.

Supporters of the EU blame our civil service for these problems, accusing them of "gold plating." That's unfair. They are not making it up. This country is hit by needless fines of around £100 million a year. The government has already changed guidance so that all EU directives must be copied out word for word and introduced a system of regulatory budgets. "Gold plating" is not added by our own civil service, it is added by EU auditors.

Some will say that these are all arguments for reform. However, when you have 28 member states, each with completely different agricultural structures and each with a totally different political make-up, coherence will never be a strong point of a Common Agricultural Policy. In addition, many regulations are just made unilaterally by the European Commission through "Delegated Acts" so we have no influence anyway. And since the Lisbon Treaty even if you can get agreement with other countries, the European Parliament then pipes up with a list of demands of its own. The EU doesn't do bold change. You just can't get things done.

So I believe, after decades of chasing our tail in the quest for reform, it is time to face a simple truth. The very concept of a pan-European legal system that tries to codify and regulate everything related to agriculture is fundamentally flawed. I see exceptional talent and technical expertise within Defra but it is constrained and hindered by the EU. Rather than being free to develop fresh ways of doing things, our policy officials spend their days fretting about whether they are complying with this or that regulation. It is time to change the way we do things.

In recent months I have been asked about a plan B for agriculture should we vote to leave. I have some ideas of my own which I will explain shortly. However, there is one important change that a vote to leave would deliver. For the first time in over forty years, Ministers would have the power to change things and farmers will be given a say in shaping their future. A UK agricultural policy will not be dumped on everyone from on high like the CAP.

So today I have written to all of the farming unions and environmental NGOs in the UK to invite their views on what a future farming policy outside of the EU should look like. I want them to be ready for change and to be part of it.

And let's get one thing straight. 'The UK government will continue to give farmers and the environment as much support - or perhaps even more- as they get now.

The Prime Minister has made that clear and I agree with him. After all, non-EU countries like Switzerland and Norway actually give more support to their farmers than we do. In the scheme of things, the amount of money spent on our countryside and wildlife is very modest when compared with spending on other departments. But we could spend our money more effectively if we had control.

We will also maintain a free trade agreement. Last year, we exported £7.5 billion worth of food to the EU but we imported food worth £18 billion. We have an annual trade deficit with the EU in food alone of £10 billion so they need a free trade deal as much, or perhaps even more, than we do.

I think there should be four key themes to a future UK agriculture policy. Firstly, we must invest more in science and technology if we want our farms to make the next step forward. New genetic breeding techniques such as gene editing could reduce our reliance on pesticides so we should support their development and put in place a new UK regulatory regime based on science and evidence, rather than the politics of the EU.

Secondly, farming has always been a risky business because of the weather and price volatility. Farmers want to earn their profit from the market but they need a helping hand when things go wrong. I want us to explore the potential for government backed insurance schemes like they have in Canada and futures markets like they have in the US to help mitigate risk.

Thirdly, we must replace the existing system of "cross compliance" rules and the chaos caused by an annual application process with something simpler and more rounded. I am interested in exploring a new farm area payment which rewards any farmer who signs up to privately operated, UKAS accredited schemes that promote basic measures to deliver environmentally sensitive farming.

Finally, to promote improved wildlife habitats and higher animal welfare standards, we would put in place a scheme similar to the environmental stewardship scheme we have now but we would make it simpler and broaden its remit so that the scheme includes measures that improve animal welfare.

If we vote to leave and take control there would be no such thing as EU law. The ECJ would have no jurisdiction in the UK. There would be no more EU auditors telling us what we can and can't do. Ministers and their Civil Servants would be free to start thinking policy ideas through from first principles. We could pilot new ways of doing things and we could actually deliver the change British farming craves.

I believe that if this country votes to leave on the 23rd of June, then in five years' time the only question people will ask themselves is why we didn't do it sooner.

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