

THE NATIONAL FARMERS' UNION 2015 GENERAL ELECTION MANIFESTO



The NFU is the voice of farming in England and Wales, representing around 55,000 farming members. In addition we have 32,000 Countryside members with an interest in farming and rural affairs.

NFU OFFICE HOLDER TEAM



Meurig
Raymond MBE,
President



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FOREWORD

British farming provides 60 per cent of the food we eat, it's the bedrock of the food industry, which is UK's largest manufacturing sector, it's central to the rural economy and it protects the nation's countryside and wildlife.

Like many farmers I am proud of what I produce and how I care for the land I farm. But I am also intensely aware of the major challenges ahead for British farmers – to produce more food but with fewer inputs and better care for the environment. I want the next Government to work with the NFU to set an agenda for growth, building on the professionalism and confidence of British farmers. By backing British farming and working together we have a unique opportunity to increase food production by supporting research, investment and growth.

The opportunity is clear – global and domestic demand for food and renewable energy is on the rise: 88 per cent of the UK public think farming is important to the economy. Farmers are ready too, with the potential to grow production and reduce our reliance on imported produce. What is needed now is a Government that understands farming, that supports growth and that has the policies that send the right business signals to farmers across the UK.

This manifesto draws on the NFU's Backing the Business of British Farming report that we launched at our 2014 conference. We have set out five key policy challenges with 47 detailed policy recommendations over the short, medium and longer term that the industry, along with Government, can address.

I sincerely believe that these are practical and easily implementable actions that, if adopted, will deliver growth and benefits for both the country and countryside and by which political parties can clearly demonstrate their commitment to the future of this most essential of industries. I, my officeholder teams in England and Wales, as well as the 55,000 farmer and grower members of the NFU look forward to discussing these proposals in more detail.

Meurig Raymond MBE
NFU President





INVESTING FOR GROWTH

UK farmers' contribution to the economy has grown by £2.34 billion (34 per cent) in the five years to 2013, at the same time farm output has grown by 31 per cent (to £25.72bn). We predict that with the right conditions Britain's farmers can continue this impressive performance.

But the challenge that faces the next Government is to develop the trust that Whitehall is working with farmers and growers to create an environment that encourages investment, growth, innovation and new entrants, thereby securing the future of the UK food and farming industry.

The next Government must set a secure and consistent investment framework mindful that 90 per cent of farm businesses are sole traders or partnerships. This structure has meant that farming has benefited little from the reduction in corporation tax rates. At the same time, the removal of capital allowances in recent years has acted as a brake on investment for agricultural businesses.

We also need Government departments to act together in recognising the importance of agriculture and food production – Defra cannot carry this brief alone. This places greater emphasis on 'rural-proofing' of all legislation such as taxation (capital allowances), digital online reporting, broadband (and mobile phone) coverage and employment policy. For example, until its abolition in 2013, the Seasonal Agricultural Workers Scheme (SAWS) provided a reliable source of migrant labour to the UK horticulture sector. With the removal of SAWS, growers face an uncertain labour supply to meet the growing demand for British produce.

Regulation is a recurrent concern for most farm businesses, unsurprisingly as the National Audit Office estimates that the cost of regulation represents around one-tenth of an average farm's net profit. So continuing efforts to reduce the administrative burden, and hence cost to farming businesses (and regulators), will help farmers and growers to compete fairly both within Europe and globally.

The next Government will also lead negotiations on the next Common Agricultural Policy (CAP) reform. The CAP is critical to UK farm businesses so with the on-going debate about Europe and UK membership of the EU, it will be vital that the Government is closely engaged with debate in Brussels. Farmers need the Government's CAP strategy to be less driven by ideology and more concerned with achieving reforms that will best serve the interests of British farming. Above all, we seek all political parties to lay out their alternatives to a CAP and the implications they foresee for food production, food costs and food availability.

Total Income from Farming (TIFF) was

£5.4 BILLION

the second highest since the mid-1990s, bettered only by the 2011 TIFF of £5.5bn

The number of people working on UK agricultural holdings in 2013 was

464,000

High-speed broadband is vital for farms but



have speeds below two MB/s and six per cent rely on dial-up connections

UK agricultural gross output has increased from

£19.6BN IN 2009  **£25.7BN** IN 2013

NFU's annual confidence survey reveals that

74%

thought regulation and legislation would be most likely to have a negative impact on their businesses, with 68 per cent citing input prices and 50 per cent CAP implementation



UK food self-sufficiency is now just 60 per cent, down from 75 per cent in 1991



UK food and non-alcoholic drink related exports grew by five per cent to £12.8bn in 2013

WHAT YOU CAN DO

- Work with the industry to develop a comprehensive plan to grow UK food production over the next Government's term.
- Cut over-prescriptive CAP greening requirements during the European Commission's review in 2016.
- Use the UK's 2017 presidency of the Council of the European Union to set the agenda for CAP 2020 reforms, based on principles of fairness, simplicity, commonality and market focus.
- Establish fiscal incentives for sole traders and farm partnerships to encourage a balanced approach to investment to manage volatility. These should include setting a long-term, substantial level for the Annual Investment Allowance, introducing a farm infrastructure allowance for building modern, environmental and welfare enhanced buildings. Also a farm management deposit scheme and extended profit averaging to counter volatility.
- Increase on-farm water storage and reservoir building with financial support and tax incentives and by reducing red tape for reservoir applications.
- Champion the use of regulatory impact assessments at all stages of EU decision making and show leadership by conducting a cost benefit analysis early in the life of all proposed European legislation that affects agriculture.
- Promote the 'Britain is Great' campaign for British produce to open up export markets by backing exporters and embassy staff.
- Update, as soon as feasible after the 2015 election, outdated UK legislation (from 1986) that restricts the weight and speed of tractors travelling on public roads. Weight limits should increase to 33t for tandem axle and 37t for tri-axle trailers.
- Ensuring a fair deal is made under the Transatlantic Trade and Investment Partnership so that agriculture overall and no specific sectors are disproportionately hit in order to agree the deal.
- Government introduces a seasonal labour scheme open to students from outside the EU to undertake seasonal harvest work on UK farms.
- Accelerated rollout of high-speed broadband to all rural areas to provide universal coverage equivalent to urban areas.
- A review of statutory compensation arrangements for major infrastructure projects (e.g. HS2, HS3, A14 widening) with the aim of fairer and swifter compensation for property lost, blight on property value and business viability and the quantity of compensatory habitat created.



SECURING KNOWLEDGE AND TECHNOLOGY

As national and global populations expand, the challenge facing UK farmers is to increase productivity and output whilst optimising inputs in order to provide safe, affordable, high quality food in an environmentally sustainable manner. At the same time, farmers across the world must adapt to the demands of a changing climate.

Scientific advances have led to increases in agricultural production, and we should be in no doubt that research and development are absolutely vital if farmers are to increase productivity in a sustainable fashion. We are still feeling the effects of the well documented underinvestment in agricultural science over recent decades, a shift in focus away from production, and the reduction of people and resources needed for translational research and commercialisation. A functioning research pipeline and effective knowledge exchange infrastructure are essential to enable farmers to benefit from government-funded research.

Private sector investment in agricultural research and development also has a part to play, and the NFU works to encourage private companies to continue their valuable work in areas such as plant breeding, crop protection and animal health. Nevertheless, public sector investment fulfils a unique, essential role in taking a long-term, pre-competitive view of the needs and challenges of UK agricultural production. We therefore need to plan in terms of a forward thinking growth strategy for UK science, not a short-term parliamentary cycle.

The NFU has been encouraged by moves to strengthen the links between research and practice through the development of the Agri-tech Strategy; but the strategy must deliver for the long term in all sectors. The UK Government has a duty to maintain world class expertise and facilities in this area, and to ensure that developments and breakthroughs are effectively translated into commercial practice on farms across the country.

Legislation and Government decision-making must be based on robust scientific evidence if it is to have the desired effect, avoid unintended consequences and stand up to scrutiny. The science must come first, rather than deciding on the policy then funding research to support the decision.



Global population is estimated to increase to 9.6 billion by 2050, with the UK population forecast to increase 15 per cent to 74 million by 2035



UK crop yields have plateaued as agricultural research and development spend fell **30 PER CENT** between 2002 and 2010



Current projections suggest future sugar beet yields may halve in East Anglia due to water shortages, demonstrating the need to develop more drought resistant varieties



The Food and Agriculture Organization of the United Nations (FAO) estimates that globally we will need to produce

**60%
MORE FOOD**

by 2050, including 45 per cent more cereals, 76 per cent more meat and 47 per cent more vegetables

The animal health sector requires research to tackle issues such as lameness in sheep, which costs the UK sheep industry

£24M PER YEAR

or mastitis, which affects dairy cow welfare and milk quality, and which costs a dairy farmer on average £1,148 per severe case

WHAT YOU CAN DO

- A fundamental pledge that all decision making should be made using robust scientific evidence, rather than populist and sensationalist campaigning, and on a risk rather than hazard-based approach.
- Government science funding rebalanced to acknowledge the critical importance of applied research to tackle production challenges and encourage growth.
- The publication during the next Parliament, of a Defra/Government strategy to sustainably increase food production to meet population growth.
- Support the Agricultural and Horticultural Development Board and other voluntary levy organisations in research and development, to focus on yields, understanding farming systems and translation of agricultural research into practice.
- Strong UK voice in the EU to enable effective approval of genetically modified (GM) products, and support for research and commercialisation of crop biotechnology to meet the needs of UK food production, with the aim of UK growers having the choice to access GM technology.
- Re-affirm long-term support for the Agri-Tech Strategy and ensure effective delivery of Centres for Innovation which provide genuine value for UK farmers and growers in all sectors.





BACK BRITISH FARMING

Farming in Britain is a vast business which has an impact on everyone in this country, whether they realise it or not. Here are some facts and figures that show what agriculture means to the UK economy.

The net worth of UK farming was estimated to be

£220BN

in 2012



In 2013, Britain's farmers produced **60%** of the nation's food



Agriculture's contribution to the economy increased by **67%** in the UK between 2007 and 2013

142,000

businesses in the UK are registered as farm businesses

The average value of prime arable land in England rose by **OVER 12%** to **£8,500** per acre in 2013



The farming and food sectors provide more than

3.5M JOBS

Defra June Survey figures show that in 2013 the national agricultural workforce stood at

464,000

Our farming output has risen from

£16BN to £25.7BN

in 2007

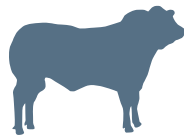
in 2013



86% of shoppers want to buy more traceable food that has been produced on British farms, **78%** think supermarkets should sell more food from British farms



We produce more than
13BN LITRES
of milk annually; only
Germany and France exceed
this in the EU



The UK is the fourth
largest producer of
beef in Europe



The UK is the third
largest wheat producer
in Europe



The UK is the largest
producer of sheep meat
in the EU, producing
300,000 TONNES in 2013



UK shoppers spend some
£196BN on food and
drink products



56%
of all farm businesses in
England have some sort of
diversified activity

The UK food and farming
sector is worth

£97.1BN

that's 7.1% of total GVA of
the UK economy



64% of UK
shoppers support the
Red Tractor scheme

Diversification added

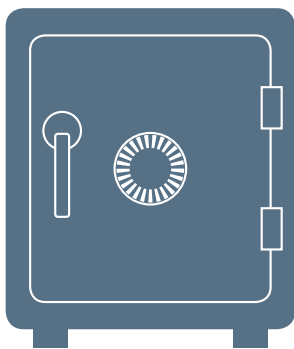
£440M

to farming's bottom line in 2012/13

Agricultural borrowing has recently topped

£15BN

The export of food and non-alcoholic
drinks in 2013 grew by **5%** to



The average farm has
more than

£1.5M

invested in the assets that
are required to grow and
produce our food



For every £1 that farming contributes to the
UK economy, our food manufacturers and
wholesalers contribute a further £5



PROTECTING ANIMAL AND PLANT HEALTH

The UK has a comparative advantage in livestock and crop production, in part due to our unique maritime climate. But our potential is threatened. Specifically, bovine TB is paralysing the dairy and beef sectors in large areas of the country and bans on crop protection pesticides will substantially reduce arable and horticultural yields.

The livestock industry is working hard to reduce disease challenge but needs the tools to do the job. There are significant barriers. Budget cuts threaten Defra and Animal and Plant Health Agency approach to endemic disease control, disease surveillance and border and import controls. And the historic failure to recognise and deal with all potential vectors of TB transmission, has created the situation where the costs of dealing with bovine TB are spiralling out of control. Urgent action must be taken to tackle this disease and to stop its spread into new regions and becoming endemic nationwide. In addition, the availability of critically important antibiotics should continue as removing some antibiotic classes could increase the resistance pressure on those remaining.

The NFU supports Defra's TB Eradication Strategy, launched in April 2014 with the twin objectives of making England TB free within 25 years while maintaining a viable cattle sector. The strategy sets different policy measures in different parts of the country suited to the local situation. In the TB-free areas the priority is to keep the disease out, principally by cattle movement measures. In the high-risk area in the South West and West Midlands the priority is to address the disease in wildlife. In the edge area, between high and low risk areas, where the relentless creep of TB is most concerning, vaccination of healthy badgers will be an important tool.

The UK faces an enormous threat from a range of potential pests and diseases, as well as invasive weeds, pesticide resistance and non-native species. The loss of active ingredients in agrochemicals used by farmers in crop production is extremely worrying. Since 2001 farmers have lost access to more than half of the 850 registered active ingredients, due to the EU's burdensome regulation that results in commercial withdrawal and reluctance to develop or license new products. Several active ingredients are restricted or banned in the UK, despite still being widely used in the rest of the world, causing UK farmers to turn to less effective alternatives. To make this problem more pronounced, agrochemical manufacturers are reducing investment in European agriculture, relative to the rest of the world, due to the reluctance of Europe's policy makers to approve the use of genetic modification.

Meat and animal products now account for

£2.75BN

in exports, or 15 per cent of the UK's total food and drink exports

405,000

cattle were slaughtered after testing positive for TB between 1996 and July 2014 (in 2013 32,619 cattle were slaughtered after testing positive for TB in Britain)

The cost of bovine TB control to the taxpayer was

£500M

between 2003-2013 and is estimated to be £1bn over the next decade at current rates of growth



73,200 JOBS

The poultry meat industry supports 73,200 jobs in the UK and provides £1bn in total tax payable to the Exchequer, equivalent to £36 for every household in the UK

The horticulture and potato industry is a hugely diverse sector, with more than 300 different fruit, vegetable, flower and ornamental plant crops being grown by

OVER 4,000

growers across the country

The Voluntary Initiative on pesticides has seen over half of all agronomists taking enhanced environmental awareness courses, and more than

90%

of arable area is covered by a national sprayer testing scheme to minimise pollution

WHAT YOU CAN DO

- Implement the TB Eradication Strategy launched in April 2014 in full; incorporating a holistic, well-resourced and practical delivery programme and backed by a national bovine TB advisory service.
- Support through Rural Development Plan for England (RDPE) for endemic disease eradication programmes (for example sheep scab and Bovine Viral Diarrhoea) which threaten the viability of the livestock sector.
- Ensuring poultry welfare is upheld by continuing infra-red beak tipping and translating the Bristol University trial flock results into best practice.
- Release information the Government holds on livestock databases to allow the sector to add value, become more competitive and control disease.
- Streamline livestock movement systems to allow farmers a practical, safe, alternative to a whole-farm six-day standstill and for sheep identification, simplify tolerance levels under cross compliance to avoid unfair penalties caused by failure of sheep electronic identification (EID) technology.
- Fair and equal access and availability of plant protection products for UK farmers and growers, as outlined in our Healthy Harvest campaign. And the UK competent authority accepting data produced by other Member States to avoid UK growers being at a competitive disadvantage.
- Tougher biosecurity border controls by Government and a commitment to closing plant health loopholes in line with the proposal of the Tree and Plant Health Biosecurity Plan and the Invasive species section of the Infrastructure Bill.
- Options put in place to prevent growers being put out of business, through no fault of their own, as a result of a pest or disease outbreak.
- Government recognition of the responsible way UK farmers use antibiotics and other veterinary medicines with any new policies made on a scientific and evidential basis.
- Ban the sale of Chinese lanterns due to the dangers to farm livestock, wildlife and the risk of fire to crops, buildings and waste sites.



BUILDING FAIR, SAFE AND SECURE FOOD CHAINS

The UK food system is one of the most advanced in the world, where consumers have access to a vast range of products. Farmers and growers are an integral part of the supply chain, constantly striving to deliver what the consumer wants. The NFU feels that consumers are being let down by some public and private sector procurement.

We have welcomed the development of some exemplar schemes where farmers, food processors and retailers have worked together to create better supply chains where true partnership arrangements exist. However, such arrangements are the exception rather than the rule and all too often producers are the victims of unreasonable behaviour that damages their business. The widespread support for and positive implementation of the Grocery Code Adjudicator has helped to highlight and address this issue for direct suppliers. However, most production is via intermediary processors, who often transfer excessive risk and unexpected costs from retailers to their producers. This has an adverse effect on investment and innovation in the supply chain, and ultimately impacts on consumers. The horsemeat scandal of 2013 highlighted the complexity of the food chain and the need for transparency and labelling rules. It also demonstrated the value of the Assured Food Standards Red Tractor scheme, with its strict traceability requirements.

Recent EU changes to origin labelling will require unprocessed meat to carry some mandatory provenance information. However, it is vital that Government now issues firm guidance around the use of flags and other depictions of origin, to ensure that consumers are not misled as to origin of the product; meaning where it was born, reared and slaughtered.

The value of food purchased by the public sector, including schools, hospitals and the armed forces is £2.4bn. The Public Procurement Plan, published in July 2014, announced that from 2017 onwards, all of central Government (not including schools or hospitals) will commit to buying fresh, locally sourced, seasonal food, so that all food that can be bought locally is. Central Government departments in England spend £1.2bn every year on food and drink, of which £600m is on imported produce, £400m of which could be sourced from within the UK.

Farmers, processors and consumers deserve a properly functioning food chain with the principles of fairness, transparency and sustainability at its core. The abuse of market power and misleading labelling practices need to be tackled and public procurement policies developed further, to establish stable, long-term relationships and deliver improved consumer protection. It is essential that we tackle these issues in order to grow the UK supply base and become more self-sufficient, with safe, sustainable food supplies.

2/3

Two thirds of people surveyed by YouGov in 2014 believe labelling should list where the animal was born, reared and slaughtered with 86 per cent of shoppers wanting to buy more traceable food produced on British farms, 78 per cent think supermarkets should sell more food from British farms



88,846

farmers and growers are assured to Red Tractor standards in the UK

20%
OFF

A basket of food is now 20 per cent cheaper in real terms than in 1980

-25%

UK sugar is processed with 25 per cent less energy than in 1990 and utilises state-of-the-art combined heat and power plants and bio refineries to produce co-products such as animal feed, bioethanol, electricity and heating glasshouses for tomatoes



Livestock producers have no access to comparative data on charges and specifications for different abattoirs, preventing the market from working efficiently

1/3

FAO estimates that one third of the world's food produced for human consumption is wasted

WHAT YOU CAN DO

- Support, implement and expand Defra's 'Plan for Public Procurement', which places the sourcing of food produced to British farm assurance standards (Red Tractor) at its heart.
- Continued support for the Grocery Code Adjudicator and a mandatory extension to all links in the supply chain between producers and intermediaries.
- Encourage European competition authorities to tackle abuses of dominant positions in the food supply chain at EU level.
- The UK competition authorities to issue clearer guidance on how farming cooperatives and producer organisations can collaborate to market and price their produce.
- Clear and unambiguous country of origin labelling on meat, meat products, milk and dairy products.
- Greater market transparency and accountability for inspection charges, specification downgrades and deductions by processors.
- Maintain a single representative body for UK sugar growers after 2017, to protect their interests as they are in the position of having a single buyer processor with a monopoly.
- Accurate food and farming information supplied to schools and colleges as part of the new national curriculum, highlighting the importance of provenance to future consumers.
- Encourage waste initiatives throughout the supply chain to create efficiencies to the benefit of both the environment and consumers.
- A commitment to free school milk to improve child health.





CARING FOR OUR COUNTRYSIDE

Given farmers' key role as guardians of the nation's landscape and wildlife, managing our environmental footprint is vital. Farmers can also provide new environmental services, like restoring habitats, generating renewable energy or flood management. But environment and climate change policy needs to go hand in hand with growth in production.

UK farmers and growers are proud of the environmental improvements made over the past twenty-five years. Industry-led actions, with farmers working in partnership with regulators and environmental groups, have proven to deliver environmental gains. In England, the Campaign for the Farmed Environment is an industry-led initiative encouraging farmers to protect soil and water whilst benefiting wildlife through measures that sit alongside productive agriculture.

Often UK farmers are forced to deal with impractical, burdensome legislation that duplicates what is already in place. We expect the UK Government to challenge European environmental regulation that adds unacceptable burdens to farmers. Where regulation is necessary it must focus on outcomes and not process.

The devastating floods experienced over the past few years have demonstrated that these events are becoming more frequent. We will need to find more resilient ways of managing flood risk and rethink how we value farming in allocating funding to flood defence in the future.

All farmers need water to grow our food and rely on rainfall, public supply and abstraction from rivers and groundwater. Farmers need secure access to water to make long-term business investment in future food production. Agriculture is one of many influences on water quality and it is already making a contribution towards improving water quality through good practice and participation in initiatives like Catchment Sensitive Farming.

Globally, agriculture can provide practical solutions to climate change. UK farmers are at the forefront, not only in adapting to climate change to provide food for future generations, but also helping to mitigate its effects through improved efficiency and renewable energy generation and carbon sequestration. Land can be used for multiple purposes – simultaneously meeting food and energy needs, whilst supplying public amenity, biodiversity and other ecosystem services.



**677,000
HECTARES**

Farmers voluntarily manage more than 677,000 hectares of farmland for wildlife

**+50,000KM
OF HEDGEROWS**

Countryside improvements instigated by farmers since 1990 include an additional 50,000km of hedges and 70,600 ponds since 1997

There has been a long-term declining trend in fertiliser nutrient applications, with nitrogen applications in England and Wales down by 30 per cent and phosphate applications down by 57 per cent between 1990 and 2012

10%

Ten per cent of England and Wales is at risk of flooding – more than 40,000 hectares of farmland were flooded in 2007, 2012 and 2013/14 – more than half (58 per cent) of our best (Grade 1) agricultural land in England is within the floodplain



Farmers own or host more than half of Britain's 5GW of solar power capacity. Sixteen per cent of UK electricity now comes from renewables including land-based wind, solar and bioenergy



Greenhouse gas (methane and nitrous oxide) emissions from British farming have been cut by 20 per cent since 1990

Farmers hold two-thirds of abstraction licences but use only 0.6 per cent of abstracted water. Irrigated fruit and vegetable production accounts for four per cent of cropped land yet accounts for 20 per cent of UK crop value



WHAT YOU CAN DO

- Ensure that that all farmers can access capital support for on-farm conservation work when Defra's new Environment Land Management scheme opens in 2015.
- Champion a radical review of EU water quality legislation starting with coordinating the Nitrates Directive and Water Framework Directive planning cycles.
- Provide flexibility for the Environment Agency to switch flood defence funds according to need between capital and maintenance activities.
- Create a general licence for watercourse management that allows riparian farmers to undertake minor works e.g. de-silting and bank repairs.
- Ensure that Defra's reform of the water abstraction licensing regime delivers an adequate supply of water to meet the increasing demand for UK-grown foods such as fruit and vegetables.
- Establish with industry a cross-Government land-based renewable energy strategy utilising anaerobic digestion, biofuels, biomass, by-products, solar and wind.
- Greater consistency in low-carbon energy policy across incentives, planning, grid access and energy storage.
- Specific legislation that enables local authorities and private landowners to control illegal grazing of horses ('fly-grazing') in England.
- Establish targets for local authorities and the Environment Agency to support and enable farmers' and landowners' efforts to deter, remove and clear fly-tipped waste from private land at no cost.





The NFU Government and Parliamentary Affairs team are here to help; we offer a briefing service to MPs and prospective candidates and provide online resources at www.nfuonline.com/about-us/our-offices/westminster



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