

A large, rectangular bale of golden-brown straw sits on a field of green grass. A white, rectangular sign is attached to the front of the bale. The sign has the words "BALLOT" and "BOX" printed in bold, black, sans-serif capital letters, one above the other. A dark, horizontal mark is visible on the top surface of the straw bale.

**BALLOT
BOX**

**The Farming Manifesto
2005**



The challenges today's farming businesses in Britain face to survive and thrive have never been greater.

British farmers are amongst the most efficient in Europe, but in an increasingly open market now have to compete more intensely with farmers in other parts of the world. At the same time farmers' main customers have further grown in commercial strength and concentration, whilst farming continues to be mostly conducted by relatively large numbers of comparatively small businesses.

Farmers and growers look to the next government to work with them to square up to these challenges, which can only be achieved on the basis of a sustainable recovery in the industry's economic prospects from the low base of recent years.

Pressure continues for a relaxation of trade barriers which results in sharper competition between producers around the world. The implementation from this year of reform of the CAP removes incentives to farmers geared mainly to production, but means they must more closely identify market opportunities for now and the future. Last but by no means least, consumers and taxpayers have high expectations of farmers regarding their other services to the nation, including the care for, and conservation of, our beautiful countryside, which is so rich in wildlife.

The next government will have some vital opportunities on the world stage, in Europe, and in the UK to secure policy decisions which will encourage British farmers to work in partnership with them to meet these challenges, fostering conditions in which farmers can sustainably deliver society's need for safe, good quality food, and other products, and responsible management of the environment.

World trade

The current round of reforms of world trade policy continue, albeit slowly, with the ministerial negotiations on the Doha Development Round taking place in Hong Kong in December (coinciding with the period when the UK holds the Presidency of the European Union) representing a very important deadline.

We support reform aimed at a fair and market-oriented trading system, featuring the eventual removal of export subsidies and reductions in trade-distorting domestic support. Developing countries must be enabled to meet their needs, not least in food security and rural development. We look to the next government and the EU to deliver an equitable outcome for farmers in the UK and their colleagues in other countries.

support reform aimed at

Sugar regime reform

One outstanding item of unfinished CAP business is the reform of the sugar regime. We fully accept that Europe will have to stop subsidising its exports of sugar onto the world market, and that this will mean that the EU will have to cut its production. We would like to see a reform that allows the efficient industry in this country, comprising some 7,000 beet growers, to have a sustainable future. The key negotiations on reform will take place in the second half of this year, when the UK is in the chair of the Council of Ministers.



Making progress in Europe

Contrary to the criticisms expressed by some politicians we believe the 2003 reform of the CAP represents genuine progress towards a more market-oriented EU agriculture, the full effects of which will take time to work through. Nor can the effects of the agricultural industries of the accession states joining the EU yet be assessed.

The next British government must seek an increase in the budget for rural development.

The financial perspective for the CAP for 2007-13 is likely to be determined later this year. A major part of the CAP reform will shift the emphasis from 'Pillar 1' production support to 'Pillar 2' rural development activity. Yet over many years the UK has had a woeful record of utilising EU rural development funding, receiving only 3.5% of the budget compared to the 10% which the country's size and farming industry justifies.

The next British government must not preside over a reduction in the budget, on the contrary it should ensure that the European Commission's proposed ceiling of 1.24% of GNI is adopted, and that the UK obtains a fairer share of rural development funding, as otherwise British farmers would be likely to be penalised compared to farmers in other EU countries.

Europe's focus must be on making farming competitive on the world stage. The next government must give greater weight to 'axis 1' of the rural development proposals concerned with the modernisation of farm and forestry businesses. Hitherto the emphasis has been on agri-environment schemes only, but the decoupling of support from production under CAP reform provides farmers with the opportunity to revisit the structure of their business enterprises, and modernisation funds could be used effectively to improve their competitiveness, quality of production, and environmental performance.

As to future decision-making in the EU, the NFU supports the Convention on the Future of Europe's recommendation that the European Parliament should share co-decision with the Council on agricultural issues – though farmers will expect this responsibility to be exercised with care, transparency and effective accountability. For a number of years the NFU has concluded that British membership of the Euro currency system would be beneficial to UK farming.

Europe's focus must be on making farming competitive on the world stage.



UK strategy

The NFU has welcomed the Sustainable Strategy for Farming and Food published in late 2002. The central themes, in particular reconnecting British farming with other parts of the food chain, its customers and with consumers must be pursued with vigour. Government has an important role to play in facilitating this process. Farmers accept their responsibility to meet the environmental, public health, and animal welfare criteria which make up the so-called cross-compliance conditions to obtain the new Single Payment Scheme (SPS) support under CAP reform. It is the duty of government to ensure that adequate delivery mechanisms are put in place to ensure that prompt payments are made to UK farmers, especially since the type of SPS adopted in England is so complex.

The new Single Farm Payment must be made on time.

The NFU has welcomed the more co-ordinated approach to delivering land-based policies that has been announced following the Rural Delivery Review. In establishing the new Integrated Agency it is essential that its environmental protection duties are carefully balanced with having regard to social and economic factors. We support the Review's emphasis on empowering frontline deliverers, and welcome the emergence of rural priorities boards and other mechanisms for sensitive rural development decision-making at regional and local levels. The government machine must restrain its innate tendency to retain control at the centre, and instead demonstrate its trust and confidence in local delivery.

Farming's business needs

Reform of the CAP will accelerate the existing trend in UK agriculture and horticulture towards market-oriented businesses that need to stay ahead of the competition to survive. The inputs needed by these businesses are changing too, and the next government must partner the industry to obtain the training and education support it requires, for example in terms of identifying market, environmental and performance needs.

At this critical time for British agriculture it is imperative that the new CAP functions effectively. This includes payment to farmers of the new Single Farm Payment on time. It also includes an ongoing commitment by government to the funding of agri-environment schemes.



Technological innovation

British agriculture has a fine record of developing and adopting technological innovation. The scope for this to continue remains considerable. However, where technology becomes politicised as in the case of GM crops, government must uphold the integrity of regulatory approval systems based on sound science. If such crops were to be introduced commercially in the UK, measures must be in place to safeguard the option for farmers to produce for the non-GM market, notably the organic farming sector; the interests of all producers should be taken into account in the generation of co-existence arrangements. The NFU supports the action plan to continue the development of organic food and farming.

Regulatory approval systems must be based on sound science.

Pesticides

The use of 'green taxes' as an instrument to deliver environmental policy has had very patchy and inconsistent results to date. The NFU agrees with the policy of minimising the environmental impacts of pesticides, and strongly supports the Voluntary Initiative which has delivered significant benefits in terms of improved crop protection management, with more highly trained operators and more accurate spraying.

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The Voluntary Initiative contributes directly to the objective of developing sustainable quality food production. Raising performance levels for all farmers could never be achieved overnight, and there remains much work to be done; switching policy now to one involving compulsion and some form of taxation on pesticides would torpedo the good work achieved to date and reverse the progress made on environmental benefit.

Employment

Farmers are committed to retaining a skilled, reasonably paid workforce operating in safe conditions. Since the establishment of the National Minimum Wage system, there has been no logic or need to continue with wage-setting in agriculture by means of the anachronistic Agricultural Wages Board which appears to have been retained for political reasons rather than persuasive rationale. This is an area where modernisation has not yet arrived, and must now reach.

In the debate now going on about immigration, it should not be forgotten that some important parts of the British farming and horticultural industries would not be able to survive without access to migrant labour. The NFU campaigned for, and warmly welcomes, the new law to licence gangmasters and the encouragement of ethical employment practices.

Tenants

Tenant farmers benefit British agriculture, and the next government should help them to use the opportunities arising from the revised CAP, and to implement the reforms to the sector agreed by the industry, so that they can thrive in the future.

Regulation

Like other businesses, farmers feel the burden of regulation. Of course regulation is a fact of business life, but as the Curry report concluded farmers and growers are faced with a barrage of it. The next government must progress the 'whole farm' approach to regulation with a view to making the regulatory regime efficient and effective, driven by outcomes rather than mere implementation, and seeking to identify alternatives to regulation. Regulators should target inspection visits to those presenting the highest risk of non-compliance.

The next government must progress the 'whole farm' approach to regulation.

Farmers have embraced the importance of consumer confidence by their strong support for farm assurance schemes. The British Farm Standard, symbolised by the Little Red Tractor, is an important stamp of approval that appears on a wide range of food in British shops and in catering services. The next government must help in the reinvigoration of this successful guarantee of high standards of production from British farms.

Research and development

Research and development (R&D) continues to be of great importance to the food chain, from primary production through processing to the point of sale. There is concern that Britain will lag behind its competitors, and cede market share to them, unless R&D is fully supported. We look to the next government to assist the food chain in creating the conditions in which research is encouraged and incentivised.

UK strategy continued...

Food labelling

Food labelling has been an area of confusion to consumers and frustration to producers for too long. Labels should enable and encourage consumer choice, and consumers must not be misled into making false assumptions about production standards, variety, country of origin and nutritional value. The next government should work in Europe for improvements in labelling to achieve this. Although we favour consumers being able to identify healthier choices, the proposed 'traffic light' system is itself potentially misleading for example in relation to dairy products, potatoes and sugar; the next government must look carefully at the best way forward on this issue.

New food labelling schemes must not mislead the consumer.

Fair business practice

Throughout the food chain, businesses are becoming bigger, particularly at the processor and retailer level. Unfortunately, there are numerous examples of abuse of power in their dealings with their suppliers. Since 1999 there has been a statutory Code of Practice that is supposed to regulate the relationship between purchasers and suppliers. This only applies to supermarkets with a market share of more than 8% (currently four) and only to fresh produce. But even in this narrow area it has had, by common consent, no practical effect. The code is currently under review by the OFT. The NFU wants to see the code significantly tightened up.

In parallel, the NFU and others have developed a voluntary Buyers' Charter that would establish standards of fair practice in all commercial transactions in the food chain. This has been welcomed by the various trade associations representing different parts of the chain, but businesses themselves have not yet committed to the concept. The NFU would like to see widescale buy-in to the charter.

The NFU wants to see high standards of business practice throughout the food chain.



Environment and the countryside

Environmental issues are a central concern for farm businesses. Farmers play a critical role in managing the nation's key environmental resources. The breadth and complexity of both regulatory requirements for the farmed environment, and of the public's expectation, is growing. Farmers will look to the next government to support them in delivering best practice, with policy based on evidence and sound science, coupled with regulation that is targeted and proportionate.

We welcome the fact that the issue of climate change has been moving up the political agenda, not least given the even greater urgency indicated by recent scientific analysis. The next government must assess the potential impact of climate change on agriculture and horticulture (both in the UK and beyond) so that the sector can prepare to adapt to meet the challenge. We need to know what implications climate change may have for the UK industry if production patterns are forced to change in other parts of the world.

Agriculture has an important part to play in helping to mitigate global warming through growing renewable energy crops, and must also find ways of reducing its own contribution to the problem. The next government must do much more than has been set in place to date to encourage the development of non-food and energy crops, as otherwise the UK will lose out to its competitors in terms of technological research and the exploitation

of commercial opportunities for an important global market. One desirable policy shift would be the compulsory inclusion of biofuels in diesel and other fuels, as happens in many other parts of Europe.



Related to climate change is the issue of water availability in the future. It is vital that agricultural and horticultural businesses have continued access to water resources. Without this access the industry would be unable to maintain its excellent standards of animal welfare or continue to produce the variety and quality of produce that the consumer deserves. The importance of water to the farming industry has taken on a new dimension in recent years. Value-added processing has become essential to the continued viability of many farm businesses and an important means by which the industry can remain competitive.

The Water Framework Directive is one of the biggest pieces of European environmental legislation in 20 years. It is in every farmer's interest to protect the soil and water on which sustainable agricultural businesses rely. Reducing diffuse pollution and achieving catchment sensitive farming will not only be a significant challenge for the industry but for many other stakeholders who will have to adapt to this new way of managing our water environment.

Soil and water protection is a priority for farmers and measures taken under CAP reform will ensure further improvements. However, more will be necessary in some areas and there is a willingness within the industry to co-operate with others to achieve common environmental objectives. An action plan of voluntary measures, backed by long stop regulations, is the way forward – 'input taxes' are not.

The next government must build on this progress by continuing to work closely with the farming community in a manner based on encouragement and support. Achieving the targets set by the Directive will not be easy and the next government must emphasise the Directive's purpose of promoting sustainable use of the water environment rather than returning it to pristine condition. Water quality standards should be set in the context of modern-day land use and land management.

One specific area where the next government must seek improvements in environmental regulation is the disposal of 'agricultural waste'. Defra's consultation on the issue has proposed the closure of all farm tips on the basis that anything 'disposed of' constitutes 'waste'. Scotland's approach to the EU waste directive seem to be a better environmental solution for farm waste – and much less bureaucratic – than the costly collection and centralised disposal approach apparently favoured in England.

Many rural communities feel concerned that the policing of rural areas has become more remote and less effective. In any forthcoming action to reform the police service, the next government must ensure that the policing of rural areas is given adequate priority and resources to deliver a lowering of both the incidence and fear of crime.

An action plan of voluntary measures is the way forward – 'input taxes' are not.



Policing of rural areas must be made a priority.

Animals and wildlife

The NFU has welcomed the animal health and welfare strategy launched last year, and supports a proactive strategy involving an increased role for veterinary professionals. One of the lessons arising from the devastating foot and mouth outbreak of 2001 is the need for adequate protection against the incursion of exotic disease. Whilst total protection is unachievable, further work by government is needed to reduce the risk. Of course once disease has broken out, effective biosecurity at farm level is vital – but government must have comprehensive contingency plans in place, which must be regularly rehearsed. Compensation to farmers for their animals must be on a fair basis which reflects their real worth. These are small premiums to pay against the economic and social devastation that can flow from poorly-managed disease control.

The incidence of bovine tuberculosis has continued to grow and extend to many parts of the country, and is very serious indeed for thousands of farmers, their livestock and local wildlife. The next government must take a firmer grip of the problem than we have seen by successive governments to date, and commit itself to a policy of full eradication of the disease including the development of effective vaccines. In the meantime we believe the evidence is compelling for selective badger culling in targeted hotspots.

One key issue in the year ahead is that the Over Thirty Months Scheme is lifted; and that the export ban on British cattle is removed. This must be based on the government introducing a robust BSE testing regime.



Key issues

World trade

- We support reform aimed at a fair and market-oriented trading system
- Successful sugar regime reform will offer our efficient growers a sustainable future

Europe

- The 2003 reform of the CAP represents genuine progress towards a more market-oriented EU agriculture
- The next British government must seek an increase in the rural development budget
- The European Parliament should share co-decision with the Council on agricultural issues
- Europe's focus must be on making farming competitive on the world stage

UK

- Environmental sustainability can only be achieved through profitability
- The new Single Farm Payment must be made on time
- Regulatory approval systems should be based on sound science
- The Integrated Agency's environmental protection duties must be carefully balanced with social and economic factors
- The Voluntary Initiative to minimise environmental impacts of pesticides is working – switching to a policy involving compulsion and taxation on pesticides is wrong
- The establishment of the National Minimum Wage system means there is no need to continue with agricultural wage-setting via the anachronistic Agricultural Wages Board
- The Government must continue its support for the 'Little Red Tractor' British Farm Standard
- The proposed 'traffic light' food label system is misleading; the next government must look carefully at the best way forward
- The statutory Code of Practice regulating the relationship between purchasers and suppliers must be significantly tightened up. The Buyers' Charter could help enormously
- The government must do more to reduce the risk of the incursion of exotic disease
- The incidence of bovine tuberculosis has continued to grow. The next government must take a firmer grip of the problem
- The 'Over Thirty Months Scheme' should be lifted and the export ban on British cattle removed
- The development of non-food and energy crops must be encouraged, and the inclusion of biofuels in diesel and other fuels made compulsory, as it is in many other parts of Europe
- Soil and water protection is a priority for farmers. An action plan of voluntary measures, backed by regulation, is the way forward – 'input taxes' are not
- Scotland's approach to the EU waste directive is a better and less bureaucratic environmental solution for farm waste than the costly collection and centralised disposal approach apparently favoured in England
- The policing of rural areas must be given adequate priority and resources

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