

Prospects for UK Agriculture

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Structural Changes - Past

	1980	2020
Full-time Farmers	240,000	150,000
Employed Labour	375,000	175,000
Part-time Farmers	150,000	150,000

Food Self-sufficiency Ratios

Proportion of consumed product produced domestically

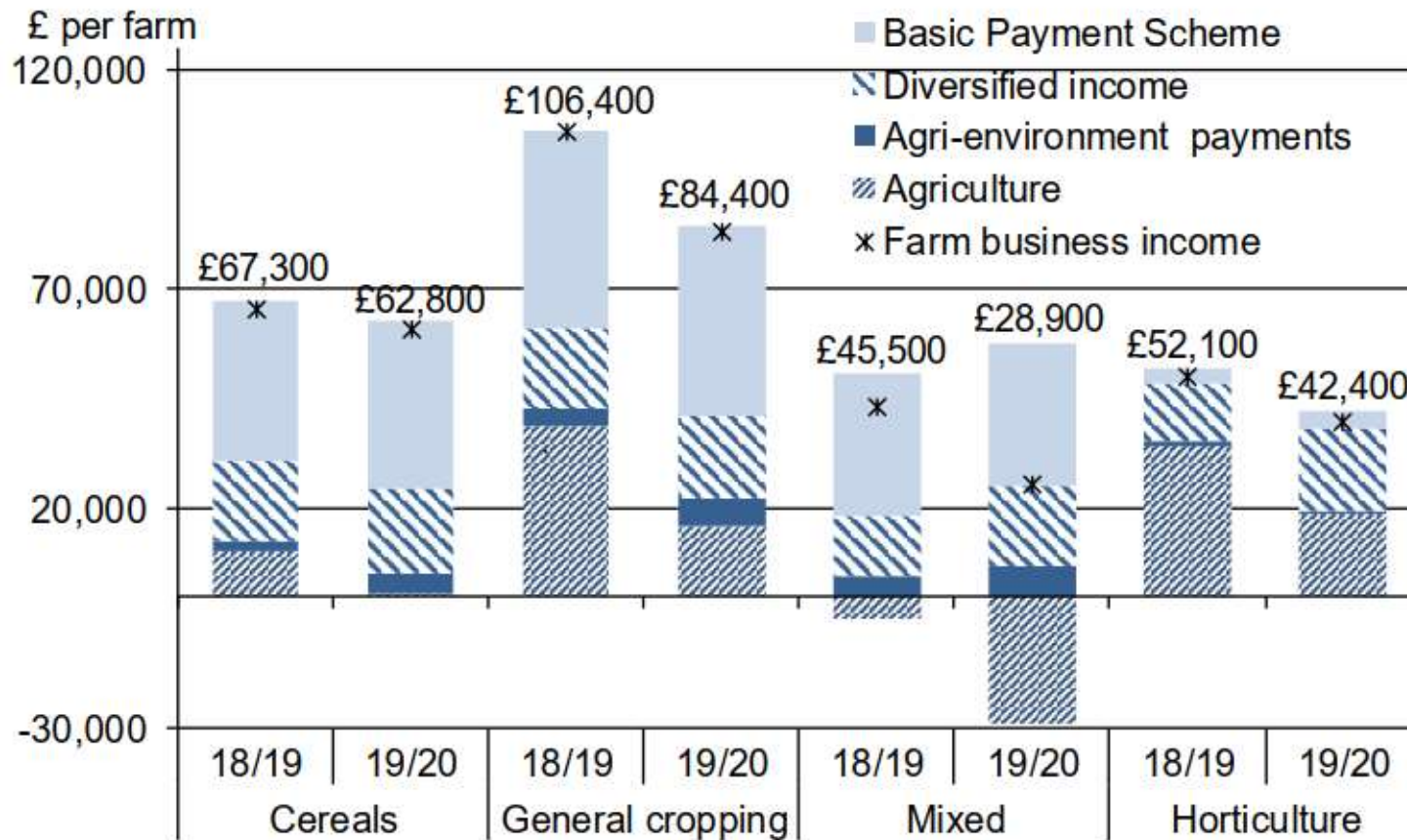
	Estimated Self-sufficiency (%)
1750 – 1830	90 – 100
1870s	c 60
1914	c 40
1930s	30 – 40
1950s	40 – 50
1980s	60 – 70
2000s	c 60

Self-sufficiency Ratios – Current

	Self-sufficiency (%)
Vegetables	55
Fruit	18
Poultry meat	85
Eggs	90
Lamb	100
Pork	70
Beef	75
Rapeseed	95
Barley	120
Wheat	90
Milk	106
Butter	87
Cheese	59

Farm Profitability - Cropping

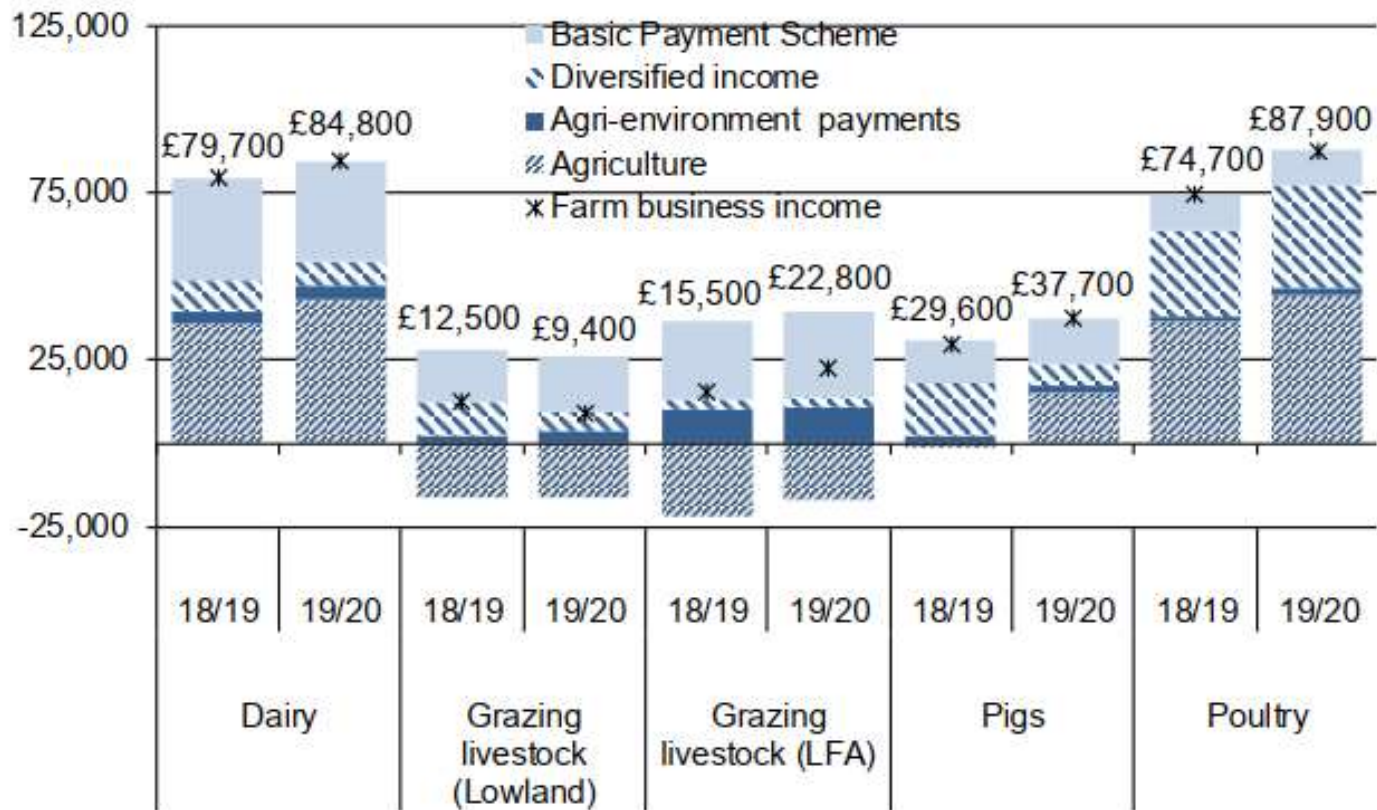
Figure 1.6: Average FBI for cropping farms, broken down by cost centres 2018/19 and 2019/20



Farm Profitability - Livestock

Figure 1.11: Average FBI broken down by cost centre for livestock farms, 2018/19 and 2019/20

£ per farm



Contrasting Fortunes

Gross Value Added (GVA) by Sector

	GVA (£bn/quarter)
Agriculture	3
Extraction	5
Leisure	12
Logistics	18
Finance	30
Construction	30
Retail	50

Small player in any Trade Deals

UK Farm Balance Sheet



	2000 (£bn)	2010 (£bn)	2018 (£bn)
Land	86	198	228
Buildings/machinery	35	35	40
Breeding livestock	5	8	7
Current assets	13	15	16
Total assets	139	256	291
Long-term loans	7	10	15
Overdraft	5	3	2
Other credit	3	3	4
Total liabilities	14	16	21
Net Worth	125	240	269



All of increase in Net Worth due to land price inflation

Increase in land value: BPS; Investment/tax avoidance; limited supply

Future taxation implications?

Future Farming Policy

Brexit –

1. Trade deals:

- **“Roll-over” with 67 other countries**
 - **Japan concluded deal but minor agricultural implications**
 - **Australia/NZ talks progressing/agreed – possibly big implications in beef, lamb, wine, dairy, vegetables. 15-year phase-in for beef/lamb & 5-year phase-in for dairy products**
 - **Prelude to Comprehensive & Progressive Trans-Pacific Partnership (“CPTPP)**
 - **USA – talks stalled, but.....**
 - **Mercosur (chiefly Brazil, Argentina, Uruguay) future implications**
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- **Small player in any Trade Deals**

Future Farming Policy

2. Loss of migrant labour:

- **Restrictions on new migrant labour from EU**
- **Seasonal Agricultural Workers Scheme (SAWS) 30,000, need 60,000**
- **Points based system – wages too low**

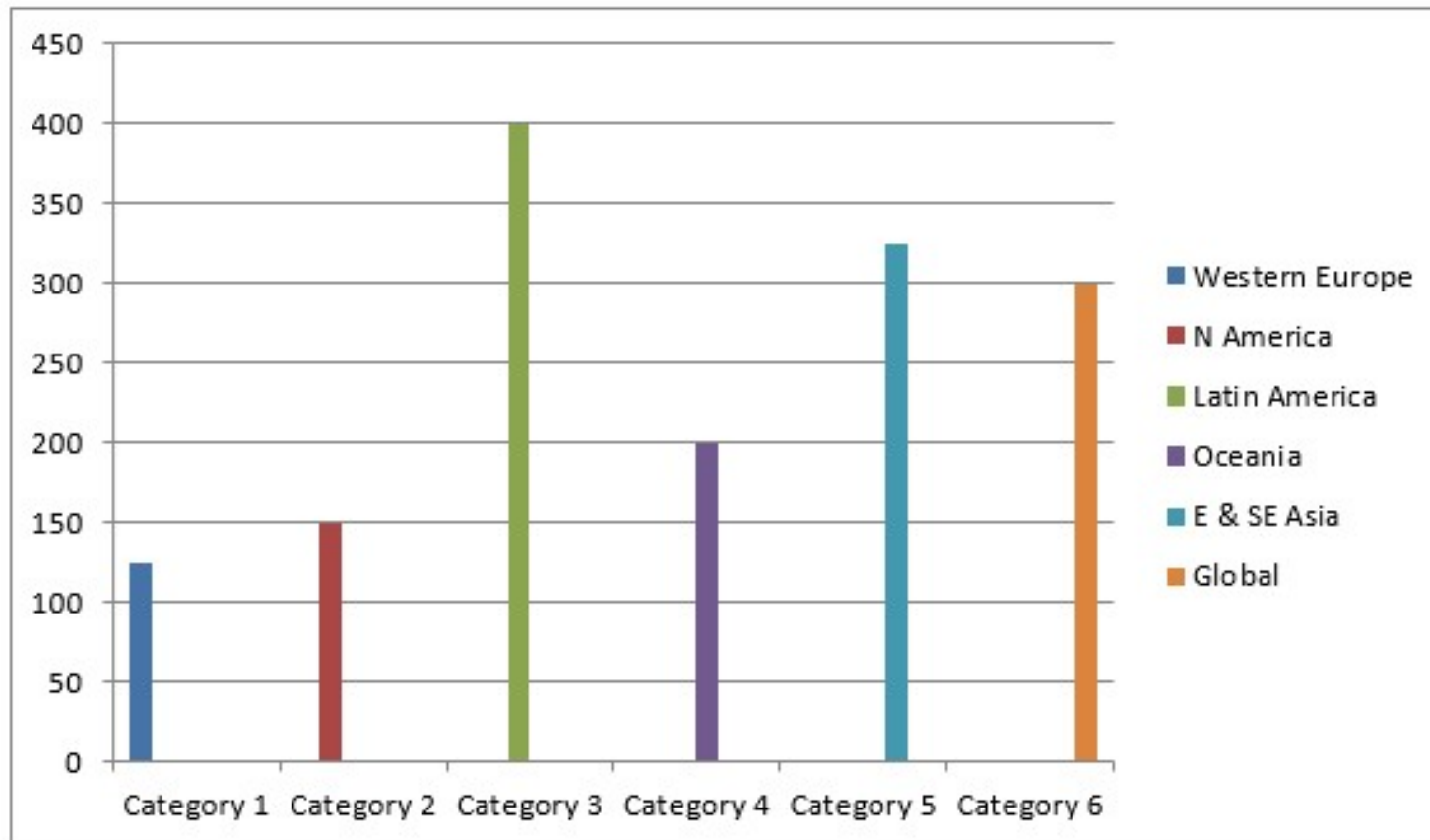
3. BPS Payment:

- **£230/hectare to be reduced/abolished – half by 2024 – nil by 2028**

BPS phased out – what replaces it?

- **Environmental Land Management (ELM)**
 - Sustainable Farming Incentive**
 - Local Nature Recovery Scheme**
 - Landscape Recovery Scheme**
 - (Public Good – climate change mitigation, nature recovery, soil health, clean water, public access, public health)**
- **Farming Investment Fund**
- **Farm Resilience Scheme**
- **Farming in Protected Landscapes (National Parks & AONB)**
- **Slurry Investment Scheme**
- **Skills & training**
- **Animal Welfare**
- **New Entrant Scheme**

Global Beef Emissions (CO₂, CH₄ & N₂O)



Source: FAO

Examples of Possible Future Developments

Technical & Business Publications

Regenerative Agriculture

- 4,000 acre estate in West Norfolk
- 500 acres of arable, matched with 500 acres of woodland to rewild
- 1,000 acres in woodland, marsh, hedgerows
- Spring crops to reduce sprays, fertilizer, number of machinery movements, minimum tilling ("mintill") to avoid soil disturbance.

Labour shortage

In Agriculture & food chains:

- 79,000 European lorry drivers returned to home countries
- SAWS/fruit & veg pickers & processors
- Butchers – whole carcasses being exported and butchered abroad.

Cow Masks

Cargill devised a cow mask which converts methane to carbon dioxide; CH₄ has 80 x warming power of CO₂ in short term.

Diets & Health

(Oxford Martin Programme)

Concern over importing cheap low quality meat & low cost foods & impact on calorie in take

Some Possible Outcomes

Short-term looks OK while BPS is still available

Reduction in numbers of farming businesses: 30% by 2030 (50% in small farm category)

**New trade deals & impact; OK-ish if food standards are universal NB
chlorinated chicken use of Growth Hormone in meat production**

Encourage oldies to exit & new entrants

Emphasis on “climate friendly” farming

Productivity demand from Government – weed out less efficient, the “tail”