



Roundtable with Farming Unions

Future of Farming visit note

Date: Tuesday 3 February 2025

Location: NFU Offices, London

Attendees

EFRA Committee

- Mr Alistair Carmichael MP (Chair)
- Sarah Bool MP
- Juliet Campbell MP
- Charlie Dewhurst MP
- Sarah Dyke MP
- Terry Jermy MP
- Josh Newbury MP
- Jenny Riddell-Carpenter MP
- Henry Tufnell MP

Farming Union Representatives

- Tom Bradshaw, NFU President
- David Exwood, NFU Deputy President
- Abi Reader, NFU Cymru President
- Paul Williams, NFU Cymru Deputy President
- William Irvine, UFU President
- Paul Tompkins, NFU Dairy Board Chair
- Martin Emmett, NFU Horticulture Board Chair
- Kit Papworth, NFU Sugar Board Chair
- Jamie Burrows, NFU Combinable Crops Board Chair
- Will Raw, NFU Poultry Board Chair
- Oli Lee, NFU Livestock Board Vice-Chair
- Mat Cole, NFU South Uplands South
- Dave Stanners, NFU North Uplands Rep
- Rob Mutimer, National Pig Association Chair

Purpose of the visit

As part of its ongoing thematic inquiries into the Future of Farming, Fairness in the Food Supply Chain, Animal and Plant Health, and Work of the Department and its arm's-length bodies, the Committee visited the London offices of the National Farmers Union (NFU), to meet with representatives from the NFU, National Pig



Association, NFU Cymru and Ulster Farmers Union. Representatives from NFU Scotland were invited to attend, but were unable to. The purpose of the meeting was to discuss three core issues for the farming industry:

- Trade and Borders
- Growth and Profitability
- Environmental Land Management (ELM) Schemes

The Committee heard from representatives across different types of farming, and different holding sizes. Although there were different issues across the different farming sectors, there was lots of commonality, particularly around the need for barriers to investment to be removed, and more flexibility in decision making. The roundtable, held under Chatham House rules, allowed the Committee to engage directly with those on the ground, whose perspectives risk being underrepresented in Westminster's decision making process.

Trade and Borders

The first roundtable discussion focused on trade and borders, including Sanitary and Phyto-sanitary (SPS) negotiations, broader trading with the EU, and the risk of allowing imports produced to lower standards into the UK markets.

The clearest message was that the UK must ensure its food production remains competitive in the market without compromising on its high standards. Future trade agreements should provide better access for UK products, safeguards against unfair competition, and long-term thinking to give producers stability.

There was broad agreement that closer trading with the EU offered opportunities, particularly in terms of accessing a bigger market to when faced with surpluses, such as those currently being experienced by the dairy sector. However, attendees were clear that access to new markets is not a panacea, and they come with risks that need careful management. There was also scepticism about whether the potential cost savings generated by reducing trade barriers would reach farmers on the ground, or result in lower food prices for consumers.

One of the biggest concerns was how producers in the UK who are bound to world-leading environmental and animal welfare standards can avoid being undercut by lower standard imports. The stalled UK-US pork deal showcases the wide divergence in welfare standards. However, the attendees recognised the success stories, such as UK produced lamb, where the high production standards and strong reputation were a marketing benefit.

A specific example was given of imports of Ukrainian eggs. Attendees said that the standards egg producers in the Ukraine are held to are significantly lower than the standards in Great Britain, and this meant that British producers being undercut on price. Attendees also argued that there was a real risk that a salmonella outbreak could occur, and cause reputational damage to all egg producers. Public



procurement compounds the issue, with public bodies under pressure to keep costs down buy the cheaper imported eggs, displacing compliant UK eggs.

A key message which came through was the need to engage with farmers ahead of and during negotiations; attendees talked about how other countries, such as New Zealand, brought farmers along as delegates during negotiations. A sector-by-sector approach to SPS negotiations was seen as the best way to ensure that what was agreed works in practice, rather than attempting a one-size-fits-all approach which would present issues for farm businesses.

A specific concern raised by attendees was that vaccinations, particularly for bovine TB and Avian Influenza, could become a trade barrier. Attendees felt that preventing this from happening should be a priority for future negotiations, as improving animal health and biosecurity is crucial to the profitability of livestock and poultry farmers.

Gene-editing was another area where the attendees saw risk. The UK has a competitive advantage at this stage and it is important that progress is not slowed down by the EU. Attendees felt that gene-editing does not need to be an overly political issue, and that ultimately it would benefit everyone if the UK was able to continually progress this work.

The horticulture sector was seen as perhaps the hardest hit by the changes to trade as a result of leaving the EU. As a sector it relies on a globalised industry and would benefit from frictionless trade and joining the European Plant Health Area.

Growth and Profitability

The second roundtable focused on enabling growth and profitability in farm businesses. The key message was that food security is underpinned by a resilient and profitable farming industry, and that production capacity needs to increase to support a growing population. The attendees argued that the industry wants to grow and evolve, but that there are too many blockers. There was a feeling that many farmers would prefer investment enabling changes, for example to the planning system or the annual investment allowance, over the current system of payment schemes.

The most significant issue identified was the planning system. The risk-averse approach taken by Local Planning Authorities, the Environment Agency, and Natural England, was felt to prevent innovation and creativity. It was felt that smaller businesses were the hardest hit, because they were the least able to challenge decisions.

There were various examples of a lack of alignment between government initiatives and the planning system, such as the Slurry Infrastructure Grant. Grants were awarded to improve slurry storage, to help farms comply with regulation and reduce the risk of environmental harm, but because planning permission was not a given, farmers who were awarded grants were not necessarily able to get permission for



that storage within the required window of time. There was also no support available for the costs of planning applications, which can be expensive.

The poultry sector was singled out as being particularly impacted by planning restrictions. An example was given of supermarkets requiring producers to allow more space per bird, which requires bigger sheds. Despite the increase in shed size being for animal welfare, and not to increase the number of birds on a site, attendees found it was extremely difficult to get planning permission. In some cases, the producers had corporations willing to pay for the poultry shed, but were being held back by not being able to secure the necessary consent from the Environment Agency and Local Planning Authority.

Although grants designed to improve farm productivity and profitability, like the Farming Equipment and Technology Fund (FETF), were welcome, attendees broadly felt they were less effective than removing blockers and allowing farms to invest in their own businesses as they see fit. Some of the attendees felt that capital item schemes only really resulted in the prices of machinery increasing, as demand increased. The match-funding element of many schemes also meant they were not necessarily accessible to smaller businesses.

Another blocker to growth identified by attendees was the £1m cap on the Annual Investment Allowance. Attendees would like to see the allowance amount increased to around £5m per year, and the scope broadened to include buildings and farm tracks. An increase in amount would reflect the increase in costs since the allowance was last reviewed.

Environmental Land Management (ELM) Schemes

The final roundtable discussion was around the design and future of England's Environmental Land Management (ELM) Schemes. The main message was that farmers need transparency and clarity on the long-term plan, so that they can make informed decisions. Examples of where this clarity was needed included the specific budget for the Sustainable Farming Incentive (SFI)

Representatives from NFU Cymru and Ulster Farmers Union brought useful perspectives on the operation of schemes in the devolved administrations. In particular, attendees felt there were some very positive aspects of the Sustainable Farming Scheme (SFS) in Wales, like the social value payment. However, representatives were concerned by the short-term payment cycle of the SFS compared to the long-term nature of activities like woodland creation.

Broadly, attendees felt that the goalposts were moving, and that the agricultural transition period had hit many stumbling blocks, especially when the SFI closed suddenly. Attendees also felt that because environmental and climate targets are enshrined in law, food production felt like the poor relation. Although attendees did not necessarily expect to see legal targets for food production, they felt more needed to be done to keep it on the policy agenda, such as sector-by-sector targets.



Representatives hoped the forthcoming Farming Roadmap would set a clear direction of travel for what Defra want from farmers, and clarity around schemes would follow.

The representatives welcomed the SFI reopening in 2026, but were concerned that a limited budget essentially forced farmers to compete with each other and get applications in quickly, rather than being able to choose options which would have the most benefit to their businesses and the environment. In particular, representatives felt stable scheme running consistently for five years would allow farmers to understand and plan properly. Long-term guarantees and predictable rules are essential for investment and confidence.

Administration of the schemes has been an issue throughout the agricultural transition period, and the changes to scheme design meant farmers have had to relearn how to apply.

On Countryside Stewardship, attendees felt scheme access was too low, in part because of a lack of resource at Natural England.

The horticulture and potato sectors, as well as upland farmers, felt there were still very few opportunities for them within the ELM schemes.

There were concerns that in England, the ELMs model means that there is little to support farmers who have been impacted by issues like bad harvests or drops in farm gate milk prices, in the way that the Basic Payment Scheme (BPS) could. In Wales, food is recognised as a public good, and is therefore still supported.

Other discussions

Uplands

One of the concerns was that upland farmers have been left behind by the agricultural transition, particularly in England where there is little in the way of support for those farming in Less Favoured Areas (LFAs) and Severely Disadvantaged Areas (SDAs). Many uplands areas are in National Parks or National Landscapes (formerly known as Areas of Outstanding Natural Beauty, or AONBs), and therefore face particular issues with the planning system.

Uplands farms are often small, and while they do a lot in terms of social value and ecosystem services, they do not see financial benefits for providing this value. There was concern across attendees about the knock on impacts for rural communities and the heritage of upland areas if upland farms are unable to remain viable. In particular, attendees were concerned that destocking is being encouraged, and that this could lead to land abandonment and have major impacts on the local economy, including cattle markets. The schemes currently available all have their flaws: Higher Tier Countryside Stewardship is not available to all, and can only process a relatively small number of agreements per year; SFI is too short-term and lacks options for upland farms; Landscape Recovery can be very unwieldy and the way the funding is delivered means farmers do not see benefits in the near future.



Public Procurement

Public procurement also came up at various points. The farming unions welcomed Labour's manifesto commitment to public procurement, but felt that, with the exception of foods that cannot be produced here, the default should be for domestically produced foods. The Government should not impose additional regulatory costs on UK producers while sourcing cheaper food from other countries that do not meet those same standards.

Environmental Permitting Regulations

Another issue discussed was the potential expansion of the Environmental Permitting Regulations (EPR) to the dairy sector. The farming union representatives felt that, although the system works fairly well for poultry, it will be less workable for dairy, as dairy farms are far less standardised than poultry producers. Attendees argued that the dairy sector should be given a chance to self-regulate first.