

THE UK GOVERNMENT'S ROLE IN POST BREXIT FARM INCOME SUPPORT AND TRADE POLICY

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ABSTRACT

Brexit has provided impetus to discuss the UK government's role in policy with the knowledge that a new agricultural policy will be introduced. Decisions on income support are likely to have a bigger influence on farmers than trade issues, in general. However, support levels are within the control of the UK while trade issues may not be.

While the UK government expects to reach new agreement with the EU on trade this may not be achieved. In the absence of agreement the UK would be subject to EU tariffs on exports but would be left with a decision on whether current import tariff levels should remain or be removed unilaterally. Imposition of tariffs would raise many UK consumer and farmer prices. Unilateral reduction would lower prices in some farm sectors and make it difficult to exclude hormone-treated beef and other practices.

Support measures that have been applied by the EU are examined from a practitioner's view point.

Decisions that have been made (or at the time of writing are likely to be made) are classified according to how they relate to Brexit. Argument is presented to remove income support measures and improve design of schemes to deliver public goods.

Since the UK is a net contributor to the EU budget the UK tax payer will benefit when the UK leaves the EU. In the longer term, it is likely that expenditure will increasingly be directed away from agriculture.

Initially EU and UK partners trading through TRQs look likely to be largely unaffected or worse off. However, in the longer term the UK may well lower tariffs unilaterally in exchange for access for non-farming goods or simply to lower food prices.

BIOGRAPHY

Simon Ward is an established agricultural and renewable energy business consultant with over 30 years' experience. He is based in Cambridge, England. Clients range from farmers to multinationals. He works both in the UK and abroad. Simon is a graduate in Agricultural Economics from Balliol College Oxford University.