

# EU Referendum



**NFUnited**  
There's strength in members.



# 18 April 2016: NFU Council Resolution

Key points:

The NFU Council resolves that on the balance of existing evidence available to us at present, **the interests of farmers are best served by our continuing membership of the European Union.**

**The NFU will not be actively campaigning** in the referendum; it will not be joining with any campaign groups and **it will not, in any circumstances, advise its members how to vote.**

# The current relationship



**NFU**United  
There's strength in members.



# Single Market and Trade

## GROSS DOMESTIC PRODUCT 2014



**\$18,495.35**  
Billion (USD)



**\$17,418.93**  
Billion (USD)



**\$10,380.38**  
Billion (USD)



**\$4,616.34**  
Billion (USD)





**\$3,859.55**  
Billion (USD)

**EU market:  
more than 500  
million people**

# EU legislation

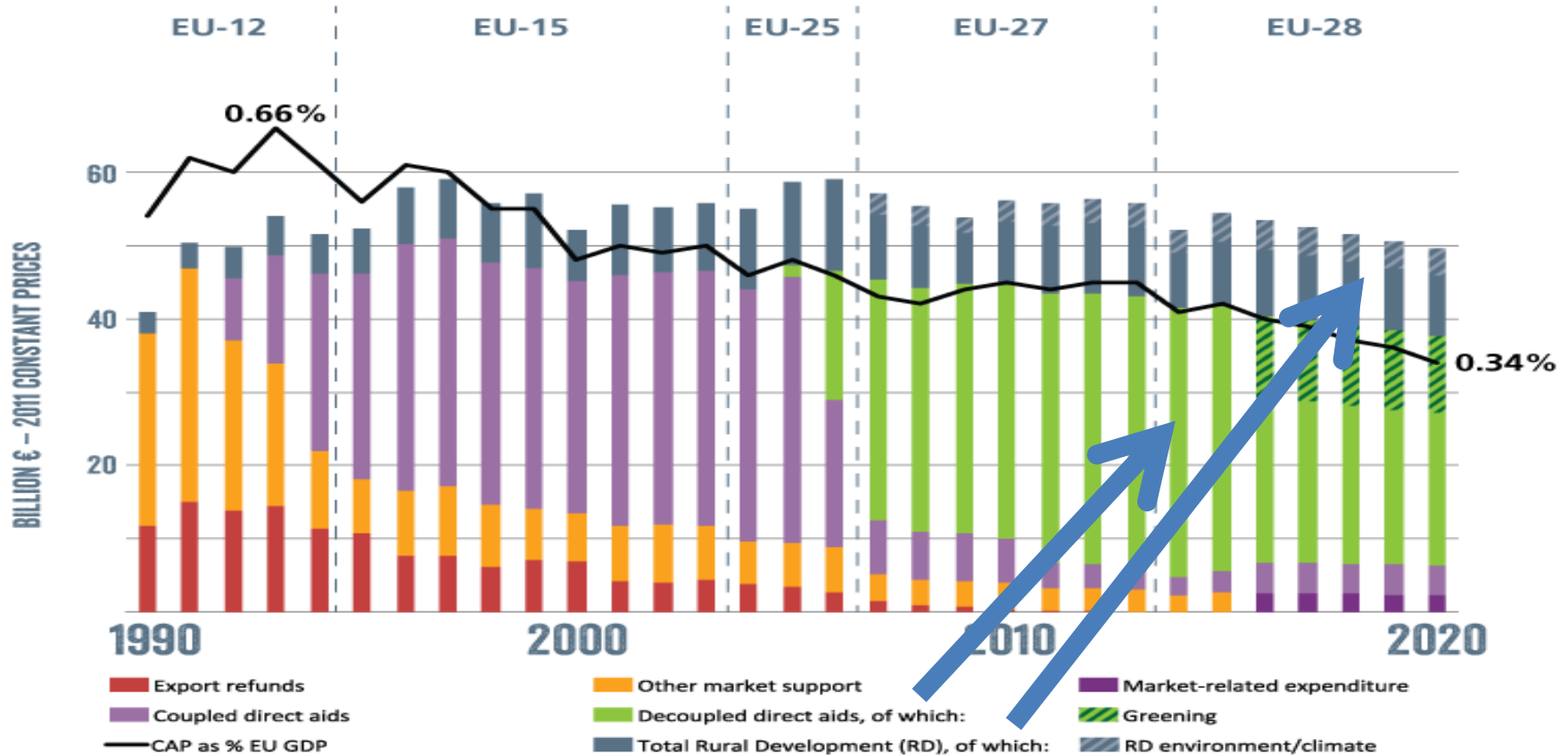
## EXAMPLES OF EU LEGISLATION APPLYING TO FARMERS

**40,000**  
legal acts in force in the EU.

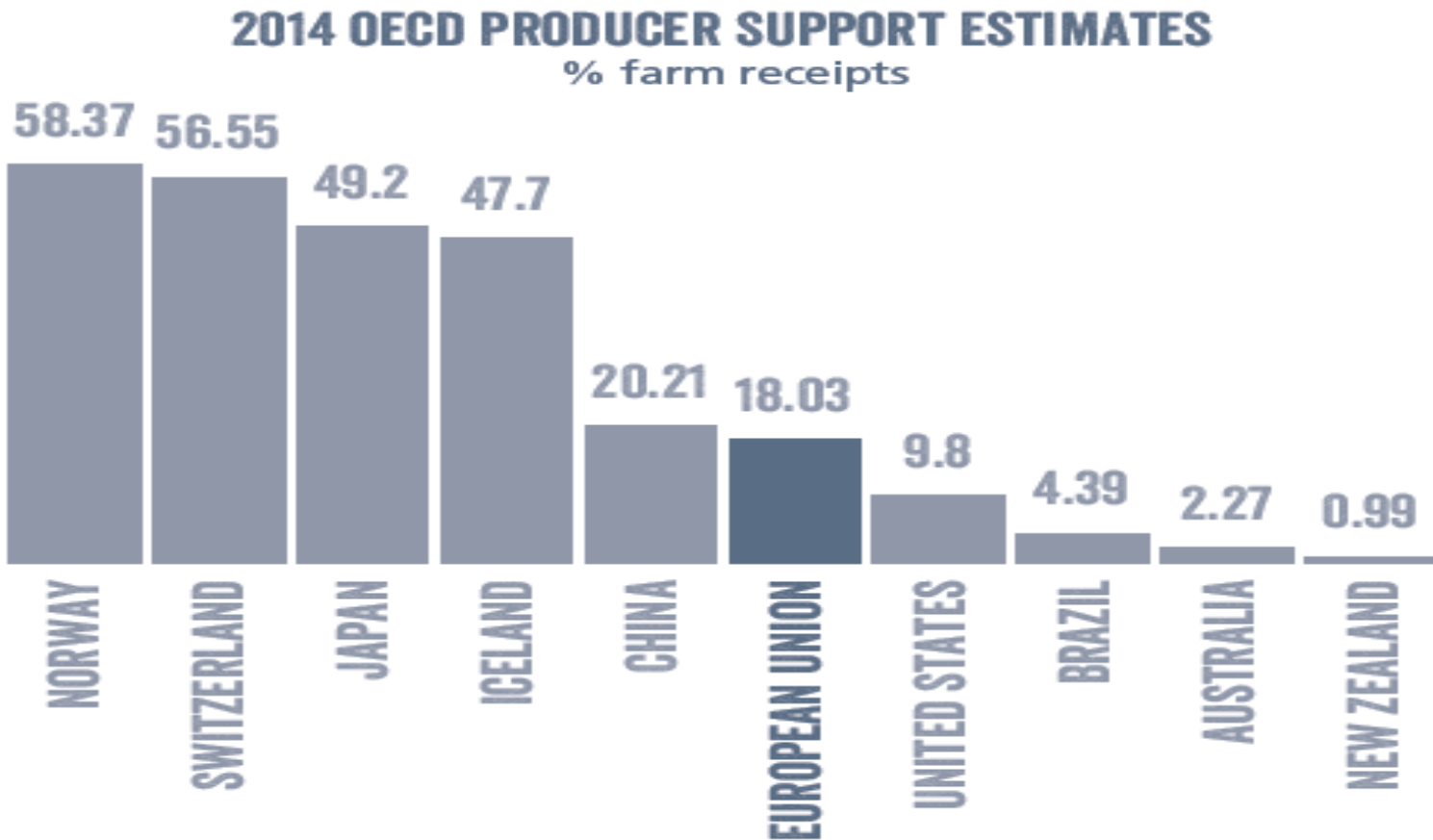
<b>EU legislation</b>	 <b>UK</b>	 <b>Norway</b>
Sustainable use of Plant Protection Products (No 128/2009)	✓	✓
Placing on the market of Plant Protection Products (No 1107/2009)	✓	✓
Nitrates Directive (No 91/676)	✓	✓
Water Framework Directive (No 2000/60)	✓	✓
Habitat Directive (No 92/43)	✓	x
Sheep Electronic Identification (No 21/2004)	✓	✓
Welfare of Laying Hens (No 1999/74)	✓	✓
Protection of pigs – tether and saw stall ban (No 2008/120)	✓	✓

# The CAP, its history and evolution

## CAP EXPENDITURE AND CAP REFORM PATH

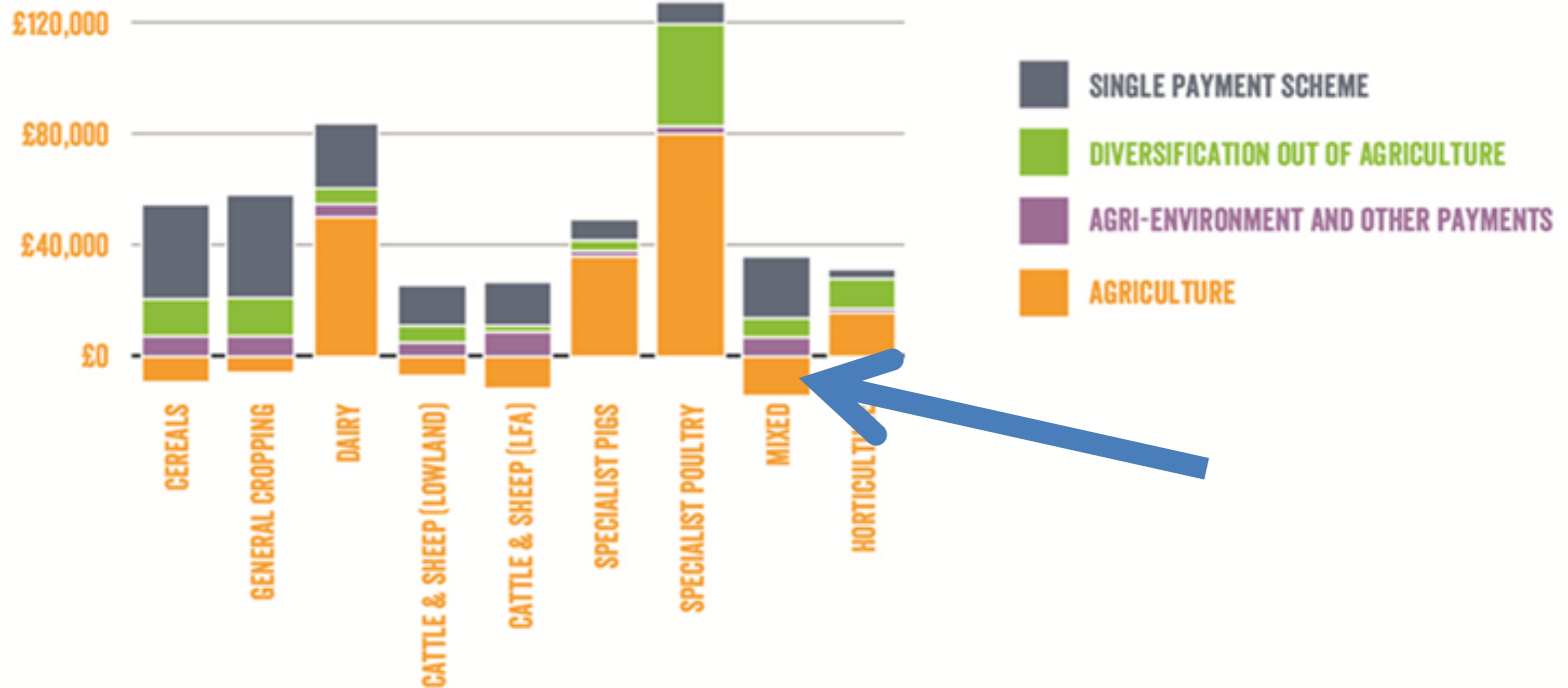


# Other countries support their farmers too...



# The CAP in the UK

## FARM BUSINESS INCOME BY COST CENTRE 2014/2015





# The UK financial contribution



**£19.23 BILLION**

UK gross payment to the EU

**£4.54 BILLION**

UK public sector receipts

**£4.89 BILLION**

UK rebate

**£9.81 BILLION**

UK net contribution to EU in 2014

# The EU science and research landscape

- Horizon 2020 – biggest ever EU R&D fund;
- UK ranked No.2 in R&D funds from EU under FP7 (€6.8bn);
- Bridging research and farmers(EIP);
- Science inside the Commission (JRC);
- EFSA.

# Key questions that demand answers...

## **If we stay in the EU...**

...What is EU's strategy to make agriculture more productive and globally competitive?

...how do we achieve better/science-based regulation?

## **If we leave the EU...**

...Would we have access to EU and international markets? Under what conditions?

...What would a "British Agricultural Policy" look like? How would we ensure fairness?

# Independent impact assessment



**NFUnited**  
There's strength in members.



## BASELINE – UK REMAINS IN EU

### TARIFFS:

- NONE BETWEEN UK AND EU
- CCT APPLIES TO UK TRADE WITH NON-EU COUNTRIES
- UK RETAINS FULL ACCESS TO EU'S TARIFF RATE QUOTA (TRQ) IMPORT CONCESSIONS

**0% TRADE FACILITATION COSTS**

## FTA BETWEEN UK AND EU

### TARIFFS:

- ZERO BETWEEN UK AND EU, EXCEPT ON SHEEP MEAT
- TRQ OF 55,000T SHEEP MEAT (CCT APPLIES ABOVE THAT AMOUNT)
- CCT APPLIES TO NON-EU COUNTRY TRADE

**5% TRADE FACILITATION COSTS**

## WTO DEFAULT POSITION

### TARIFFS:

- CCT APPLIED BY EU TO UK IMPORTS
- UK APPLIES THE CCT TO EU AND NON-EU COUNTRY IMPORTS
- UK LOSES ACCESS TO EU'S TRQ IMPORT CONCESSIONS

**8%**

**TRADE FACILITATION COSTS**

## UK TRADE LIBERALISATION

### TARIFFS:

- CCT APPLIED BY EU TO UK IMPORTS
- UK APPLIES 50% CCT RATE TO EU AND NON-EU COUNTRY IMPORTS
- UK LOSES ACCESS TO EU'S TRQ IMPORT CONCESSION

**8%**

**TRADE FACILITATION COSTS**

**NFUnited**  
There's strength in members.



# 3 farm support scenarios

1. Retention of 100% of the current level of direct payments (100%);
  2. Reduction by 50% (50%);
  3. Abolition of direct payments (0%);
- Levels of environmental payments through RDP to remain for each of the scenarios above.

<b>Scenarios</b>	<b>Effect on farm income</b> (weighted average all farms)
FTA+100%DP	€9,000
FTA+50%DP	€-7,000
FTA+0%DP	€-24,000
WTO+100%DP	€16,000
WTO+50%DP	€-1,000
WTO+0%DP	€-17,000
UK TL+100%DP	€-3,000
UK TL+50%DP	€-20,000
UK TL+0%DP	€-36,000

# Findings

- 2 key issues modelled in a post-Brexit world:
  - our international trade relationships
  - level of domestic support
- Mixed outcomes for trade scenarios:
  - FTA and WTO default more protectionist (higher farmgate and consumer prices)
  - UK TL more damaging for farmers
- **Biggest driver of UK farm income change is the level of direct “income” support (BPS) available**



# Final remarks

- This is an independent study – but it is personal judgement as to which scenario appears more likely
  - Are higher consumer prices likely/desirable?
- The big questions become political rather than just economic
  - What would farming policy from Westminster look like?
- The study provides independent evidence based on a set of assumptions that may come to pass depending on UK government policy post Brexit

You are here: // [News](#) // [EU Referendum](#)

# EU Referendum

[www.nfuonline.com](http://www.nfuonline.com)



## EU Referendum regional meetings

We're organising regional meetings to allow members to discuss the EU Referendum ahead of NFU Council on April 18.

🕒 7 days ago

## BREXIT: THE KEY QUESTIONS FOR BRITISH FARMING



## BREXIT, UK farming and the 'great unknowns'



## EU referendum: NFU urges PM to answer key questions

