

<b>Name:</b>	Policy Board	<b>Meeting Date:</b>	4 December 2019
<b>Location:</b>	NFU HQ	<b>Time:</b>	09:00 – 12.45
<b>Room:</b>	Boardroom	<b>Chair:</b>	Minette Batters
<b>Circulation:</b>	Policy Board	<b>Secretary:</b>	Alison Taylor
		<b>Tel:</b>	024 7685 8852
		<b>Ref:</b>	PB1026

**Present:** Minette Batters (Chair), Tom Bradshaw, Ali Capper, Andrew Clark, Phil Crawley, John Davies, Richard Findlay, Terry Jones, Stuart Roberts and Michael Sly

**By Invitation:** Fran Barnes, Thomas Binns, Chris Cardell, Trevor Foss, Andrea Graham, Phil Hambling, Martin Haworth, Phil Jarvis, Rocky Lorusso, John Pawsey, Alison Taylor and Nick von Westenholz

**In Attendance:** Alisha Anstee, Amy Cobbett, Andrew Francis, Nick Hamer, Helen Hunt, Rohit Kaushish, Catherine McLaughlin, Diane Mitchell, Claire Robinson, Nina Winter and Lucia Zitti

**Apologies:** Richard Lister, John Mercer, Michael Oakes, Kevin Pearce, Guy Smith and Tom Wornham

## Policy Board Minutes – 4 December 2019

### 1. 16 October minutes & actions [PB1014]

The Board found the minutes from 16 October to be a true and accurate reflection of the meeting and the document was therefore approved. The Chair declared that all the actions from the last meeting had been completed and read out the apologies for this meeting.

## FOR DISCUSSION AND ACTION:

### 2. Opening remarks from the President [Verbal] (*Minette Batters*)

The President discussed with the Board the possible outcomes of the December general election. In the event of a Conservative majority, a swift Brexit is expected for which the NFU must be prepared.

The President informed the Board of an article to be released in this week's (w/c 2<sup>nd</sup> Dec) Farmer's Weekly detailing NFU's plans for a mass lobby in 2020. The article was expected to be released in the Christmas issue of Farmer's Weekly. The NFU is proposing a mass lobby in London, with mirror events happening in each of the home nations. The purpose will be to promote positive messages about the importance of protecting standards, in particular environmental, animal welfare and food safety while also achieving as a priority, a good trade relationship with the EU following any Brexit. The NFU has collated a dossier of evidence of support for these for messages, including backing from major supermarkets. The Board agreed that the messaging of the mass lobby will need to engage both government and the general public.

**ACTION:** To discuss plans for a mass lobby with Officeholders (16<sup>th</sup> December) and then bring back to Policy Board on 14<sup>th</sup> January

### **3. Political Update [Verbal] (*Rocky Lorusso*)**

The Board heard that the External Affairs team have been assisting members, as well as Regional and County Advisers to contact local candidates for the General Election across England and Wales. A toolkit has been provided for members providing help on how to contact candidates, organise hustings and press releases, as well as outlining purdah rules. To date, 2241 candidates in England alone had been contacted, with 25 hustings organised and 32 separate 1-2-1 meetings with candidates.

The Board heard that the two likely outcomes of the December General Election was either a Conservative majority or a hung parliament. In the case of a Conservative majority, a Brexit on 31<sup>st</sup> January can be expected. This would leave little lobbying opportunity for the NFU on items such as the withdrawal agreement and a transition extension.

Once the General Election has taken place, the External Affairs team will be contacting all MP's to request a meeting, remind them of the NFU Manifesto asks and extend an invitation to the NFU post-election reception, to be held in the London office on 18<sup>th</sup> December. The team has been working with Defra to create an engagement programme for the days after the election with the Secretary of State for Environment and Efra committee.

### **4. NFU Future Rural Development Policy [PB1017] (*Andrew Francis, Amy Cobbett*)**

The paper outlines proposed NFU policy on post-Brexit funding for rural development and farm diversification. Current grant funding exists under the Rural Development Programme for England (RDPE) and focuses on diversification including food processing and tourism, business development and farm productivity. Funding mechanisms post-Brexit are currently vague and will change from existing arrangements. Consequently, the NFU needs a clear policy position on how future rural funding should be prioritised.

The NFU understands that future funds may be allocated by government departments that have limited prior experience in this area, namely the Ministry for Housing, Communities and Local Government (MHCLG). Local Enterprise Partnerships (LEPs) may be responsible for the distribution of funds under the proposed Shared Prosperity Fund (UKSPF). They each currently have to submit a Local Industrial Strategy (LIS) by April 2020. The Board agreed that, although some regional colleagues are on the LEP boards and Local Action Groups (LAGs under Leader), it is imperative to ensure agricultural representation within every future funding committee.

A number of key asks and lobbying aims have been proposed. One key ask is to ensure a ring-fenced rural development funding budget and ubiquitous geographical coverage, maintained to current levels.

Another key ask is to increase rural infrastructure support to narrow the gap between rural and urban communities. The development is necessary to attract a younger and more diverse working population to rural areas, thereby growing rural economies.

A main lobbying point is to government and industry, to close the gap between advances in technology and farmer's access to it.

The Board agreed that the top priorities for the farming community are food production, environmental stewardship and energy production. Focussing on food production makes the program available to all members, whilst leaving the door open to diversification routes, which are more accessible to some sectors than others.

**ACTION:** To identify the LEPs that currently has no agricultural representation and to discuss with Regional Board Chairs the best way to ensure representation across all 38 LEPs.

## **5. NFU Activism Working Group Report [PB1018] (*Nina Winter*)**

The Board discussed the proposals of the activism working group and fully supported all of the proposals presented.

## **6. UK Roundtable on Sustainable Soya [PB1019] (*Helen Hunt*)**

The paper outlined the purpose of the UK Roundtable on Sustainable Soya; to work together towards secure, resilient supplies of deforestation-free sustainable soya to the UK. Having already attended two meetings within the last year and passed on a report to members, the NFU has already met the requirements to join the Roundtable. The Board was asked to decide if the NFU should become a trade association member of the roundtable. It was made clear that joining the Roundtable would not equate to committing to sustainable soya.

The Board agreed that the NFU should become a trade association member of the UK Roundtable of Sustainable Soya. It was also agreed that in the longer-term, decisions on policy positions surrounding sustainable soya and its alternatives would be required.

**ACTION:** A cross-sector discussion ahead of an upcoming meeting with the company who facilitate the UK Roundtable on Sustainable Soya, Efeca (3 Feb) to discuss the NFU's policy positions on sustainable soya production.

## **7. NFU Proposed ELM Scheme Design [PB1020] (*Claire Robinson*)**

The Board heard that over the last two months, Defra's scheme proposals had been discussed in a staff working group, consisting of regional, food and farming and policy teams. The results of these discussions were presented to the ELMs task and finish group, then subsequently on to the Environment Forum, Crops Board and Livestock Board. The comments been drafted without the parameters of a stability payment or budget.

The NFU proposal is for a Farmed Environment Scheme (FES), consisting of three streams. Creating priority habitat on non-farmed land should sit outside the FES and have a separate budget, e.g. coastal realignment. A Primary FES should reward the protection of natural resources through good practise. This should have variable agreement lengths depending on the options selected, starting with annual and be accessible to 85 % of farmers. Farmers should be able to enter this scheme without the need for advice.

A Secondary FES is a more ambitious and targeted scheme. This scheme would include habitat management and improvement.

An Advanced FES would be a long-term agreement covering land-use change and the creation and maintenance of priority habitat.

Concerns were raised over the possibility that the TFA and CLA may not support the NFU's call for a separate stability payment. The budget for an environment scheme was discussed; if urban areas were to be included in the budget, then the budget would have to be increased.

The Board discussed the models. It was concluded that the Board should decide if it favoured a 'stacked participation' or an individual scheme participation approach. The Board heard that the task and finish group felt that a 'bolt-on' approach would work well, whereby elements from a primary scheme could be added to a secondary scheme, rather than a more stacked approach (i.e. separate scheme entry). This would allow for flexibility for farmers around changing land and environmental conditions.

It was noted that participation of tenant farmers required particular consideration, so as not to allow landowners to restrict tenants access to funding schemes.

The Board discussed how assurance schemes should sit within any FES. The Board agreed that being farm assured should not be a requirement to enter any scheme, but may be an option for reduced future auditing. However, this can't risk farm assurance being a requirement to farm.

The Board agreed that a 'whole farm' plan should not be part of all scheme entry requirements; the schemes should not be whole farm and at least for the primary scheme, it should not be an entry requirement to have a plan. The task and finish group suggested that the level of detail of entry application should reflect the scheme applied to.

## 8. Modelling ELM Budget [PB1021] (*Rohit Kaushish*)

The paper outlined a series of budgetary scenarios based on the NFU's proposed FES according to varying budget allocation and participation rates. The models were intended to help steer the future development of the NFU's proposed FES. The models assume the maintenance of the current budget of £2.2 billion and considers how that may be split over the NFU's three cornerstone asks; a stability payment, productivity and a FES. The models assume participation of FES schemes to equal the current 84,000 BPS recipients.

The Board agreed that a stability payment should not be considered as a primary scheme payment. The Board heard comments from TFA Chief Executive, George Dunn, regarding a stability payment, who stated that:

*"It was felt that it would be used as a hostage to fortune in order to have cross compliance elements attached to it. Concern was also expressed about the continuing impact on rent levels from having an ongoing payment. The feeling was that the Government should work to ensure that the new productivity and public payments for public goods schemes were established and run well, focused on the active farmer, rather than having a continuing volatility payment."*

The Board heard that the NFU had the support of the TFA and CLA in asking for a delay to the payment transition period.

**ACTION:** To hold a roundtable discussion with stakeholders including the TFA and CLA to discuss the budgetary models.

**FOR INFORMATION ONLY:**

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- 9. BPS update [PB1022] (*Richard Wordsworth*)**
- 10. Agri-environment update [PB1023] (*Alisha Anstee*)**
- 11. Legal update [PB1024] (*Nina Winter*)**
- 12. Flooding and Wet Weather [PB1025] (*Mhari Barnes*)**

No comments were made on these papers.

**AOB:**

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Forum Chairs raised the lack of clarity regarding the structure of Policy Board meetings going forward. It was concluded that there had not been clear communication of decisions made on this.

**ACTION:** The Governance Board Chair and Policy Board Chair will hold a meeting to discuss better communication of Policy Board attendance.