
Name:	Policy Board	Meeting Date:	16 October 2019
Location:	NFU HQ	Time:	09:00 – 12.35
Room:	Knightsbridge	Chair:	Minette Batters
Circulation:	Policy Board	Secretary:	Alison Taylor
		Tel:	024 7685 8852
		Ref:	PB1014

Present: Minette Batters (Chair), Tom Bradshaw, Ali Capper, Andrew Clark, Richard Findlay, Terry Jones, Richard Lister, Michael Oakes, Michael Sly, Guy Smith and Tom Wornham

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

In Attendance: Sam Durham, Diane Mitchell, Regina Owusu, Claire Robinson, and Nina Winter

Apologies: John Davies, Simon Gadd, John Mercer, Kevin Pearce and Stuart Roberts

Policy Board Minutes – 16 October 2019

1. 4 September minutes & actions [PB1004]

The Board found the minutes from 4 September 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 either been completed or were ongoing and read out the apologies for this meeting.

FOR DISCUSSION AND ACTION:

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

The President discussed the recent meeting of the Food and Drink Sector Council meeting. The President expressed concern that minister's interest in food supply does not extend to discussions on surrounding issues such as tariffs or no-deal planning. Nick Whelan had stated that the Northern Irish dairy sector would suffer heavily in the case of a no-deal Brexit.

The President detailed a recent conversation with Henry Dimbleby, who is planning a 'seismic reform' of the National Food Strategy. The Board raised questions about the NFU's engagement with businesses on this matter as well as government. The President assured the Board that the NFU is engaging with businesses at every level, alongside government.



3. Timesheets and Expenses (*Terry Jones*)

The remuneration committee (a sub-committee of Audit) are demanding much better records of time spent by Board and Forum Chairs on NFU work. This is an attempt to more accurately set amounts for any financial loss allowance paid to members. Terry Jones (TJ) asked for Board Members help in improving this information while Phil Hambling explained how his team would account for the time spent by working with Chairs to keep accurate records in Microsoft Outlook. This proposed solution was agreed by Audit Committee.

ACTION: TJ agreed to speak with Compliance and an internal paper will be circulated to Policy Board providing further guidance on how time should be accounted for.

4. Political Update [Verbal] (*Olivia Seccombe*)

The Board was briefed on several different scenarios that might come in to play regarding Brexit over the forthcoming weeks. Tomorrow (17 Oct) sees a European Council meeting in Brussels, which provides an opportunity for a deal to be agreed upon between the EU and the Prime Minister, Boris Johnson. It is assumed that a deal may be reached, which would lead to a Saturday sitting of Parliament (19 Oct). There would then be the potential for attempts to amend any deal presented to Parliament.

In the case of a deal not being agreed, the enforcement of the Benn Act may push an exit date back to the 31st January. A possible alternative would be for the Prime Minister to request a short extension to the current deadline of the 31st October.

The government are confident in their ability to pass a deal through Parliament, although this depends on some key factors, including the support of the DUP.

Unrest in the Labour Party appears to have increased the prospect of Jeremy Corbyn being pushed out as leader of the party, with John McDonnell reportedly moving to remove multiple members of Corbyn's closest staff.

The recent Queen's Speech (14 Oct) was universally accepted to not hold its usual credibility, due to current political circumstances. If the vote on the Queen's Speech fails in the House of Commons, little will change. However, Government would lose its 'any ways or means' powers to get legislation through Parliament, which would have significant implications in the case that the vote on the upcoming budget (6 Nov) is lost.

Any General Election is not likely to take place until the beginning of the new year, most likely in February. The NFU has been engaging with many recently elected parliamentary candidates across the country as part of the construction of an NFU election manifesto. Overall, the NFU is well positioned as an organisation to face any upcoming General Election.

The President thanked all those involved in party conference season and praised the large number of delegates who had signed the Back British Farming pledge.

5. Brexit update (*Nick von Westenholz*)

The Board heard that although leaving the EU on the 31st October without a deal is becoming increasingly unlikely, it may still happen in the next 2 -3 months. The NFU has plans in place for a Saturday sitting of Parliament (19 Oct) and a resulting response on Sunday (20 Oct) to any outcome.

Little is currently known about the state of deal negotiations, although they are believed to feature a high degree of similarity to former Prime Minister Theresa May's deal, with the main changes relating to the Northern Irish backstop. This may mean that Northern Ireland would de facto be in the customs union with the EU, which would likely be difficult to get through a vote in the Commons if the DUP rejects such an outcome. A deal resembling the Chequer's agreement but leading to a looser relationship with the EU, could leave tariffs on some agricultural products and leave the door open for hastily agreed trade deals with new countries. The NFU maintains its role lobbying for best possible outcomes.

6. ELM update and next steps [PB1006] (Claire Robinson)

The paper submitted to the Board discussed the ELMs three scheme model that had been shared in confidence by Defra in order to provide a basis for development and 'co-design' with stakeholders. This provides an opportunity for the NFU to further develop its own reaction and vision of the ELMs model. This will be enabled through the NFU's ELM task and finish group and the Environment Forum with the aim to bring a working draft back to the Board in December.

The Board heard details of a meeting chaired by David Kennedy (DK, Defra) attended by Andrew Clark (AC), regarding development of the ELM schemes. DK made it clear that all three schemes would be a long term feature of agricultural policy, rather than transitional schemes and pushed back at claims from environmentalists that the ELM scheme needs a more demanding baseline. AC reminded the Board about the various engagement opportunities that the NFU had had with Defra over the summer and early autumn and how it was clear from the meeting with DK that the NFU was well ahead of the game compared with other stakeholders.

AC asked the Board to provide feedback on the level of ambition the NFU had for uptake of the scheme, in terms of land coverage. AC also asked for the views of the Board regarding payment stability. The Board agreed that the NFU would continue to push for volatility mitigation measures as part of domestic agricultural policy going forward and that in principle, a 'stability' payment should sit outside of ELMs and the environmental conditions this may impose.

The Board discussed dissatisfaction at tier one payments seemingly focussed on income foregone. The Board agreed that the NFU should adopt a simple and clear message on its vision that the foundation scheme must be accessible to all farmers. Both members and staff would then be able to use this narrative during on-farm visits and meetings with Defra.

The Board heard from CR that the NFU is involved with two of the 22 ELMs phase two tests and trials that have been put into project development, with work to involve members in a third test and trial ongoing. CR also reminded Board Members of the scheduled forthcoming ELMs Task and Finish Group meeting on 18th November and urged Board and Forum Chairs to ensure they had representation at that meeting.

ACTION: CR to return to Policy Board in December following the next meeting of the ELMs Task and Finish Group and Environment Forum to share a critical assessment of the three scheme model plus narrative on the NFU's vision.

7. General Licences update (Sam Durham)

The Board heard that Defra have been consulting on general licences (GLs) and have requested more evidence of how covid species are causing damage, as well as the extent of damage. There is a risk of some birds being removed from the GLs, or of GLs being removed altogether and replaced with individual licences.

The NFU has been part of this conversation and would like member's responses in order to shape a response to Defra's consultations for the 5th December deadline. The NFU would like responses to include evidence of the damage and of the costs incurred. This could include yield maps, or images of birds causing the damage. There should also be evidence of non-lethal control attempts first, with evidence of their effectiveness and limitations.

The NFU has concerns over the lack of anonymity of the Defra survey. The NFU's anonymous survey on GLs launches today (16 Oct) and focusses less on the health and safety or biodiversity impact of bird control licences, but rather the impact on farming.

The Board agreed that the NFU should maintain the position of looking at GLs through the lens of food production, keeping away from the debate of associated issues. The Board was requested to support the promotion of the NFU's GL survey through the upcoming AGM season.

ACTION: Board members to enable widespread promotion of the NFU's GL survey to encourage members responses.

8. Judicial review against Secretary of State re. no cull licence in Derbyshire [PB1007] (*Nina Winter*)

The Board discussed the merits of a potential judicial review.

9. Proposing an investigation into the beef market [PB1008] (*Richard Findlay*)

The paper outlines the areas of focus we would like the investigation into the beef market to make. Members report that the dynamics of the beef market are often opaque and during times of price pressure, there is poor transparency on the key drivers in the market. The differential between retail and wholesale beef prices is a good example where it is not always clear to members as to why prices are low. The NFU is seeking a robust review for its members, not only to explain the situation but also to explore tangible policy asks, which could improve moves to improve transparency and fairness in the supply chain. The paper sets out questions to be explored in the independent analysis.

The Board heard that a review has the potential to touch on parallel issues in other sectors and feed into both the agricultural bill and other initiatives in the supply chain.

The Board agreed that the livestock board should continue to take this review forward and propose any potential learnings for other sectors at an appropriate time.

FOR INFORMATION ONLY:

- 10. BPS update [PB1009] (*Richard Wordsworth*)**
- 11. Agri-environment update [PB1010] (*Alisha Anstee*)**
- 12. Plant Health Strategy activities update [PB1011] (*Chris Hartfield*)**
- 13. Legal update [PB1012] (*Nina Winter*)**
- 14. Forum update [PB1013] (*Forum Secretariats*)**

No comments were made on these papers.



AOB:

The Board heard that Director General, Terry Jones had received information from the NFU London office indicating that a Brexit deal may be reached by the end of the week (w/c 14 Oct). The Defra Minister, Zac Goldsmith stated that there would shortly be an announcement on standards. Concern was raised regarding the possibility that the NFU would be encouraged to support any deal based on a favourable standards announcement. It was emphasised that the NFU would fully scrutinise both.

Concern was raised regarding the recent weather conditions and the effect on arable farming. Wet weather has resulted in little harvesting or drilling opportunity. The Board heard that a series of staff meetings on water will commence on Friday (18 Oct), providing an opportunity to raise any water issues.