Brexit -
UK farming steps out into the world

USDA Outlook Forum
Paul Temple
The EU

In numbers:
- 28 member states
- Covering 1.7 million square miles
- 500 million people
- 10.8 million farmers
- 431 million acres of farmland
CAP and its policy levers
The evolution of the Common Agricultural Policy

**Historical development of the CAP (1962 →)**

- **Food security**
- **Competitiveness**
- **Sustainability**
- **Cohesion**
- **Policy Efficiency**

**The Early Years (60s)**
- Price support
- Productivity improvement
- Market stabilisation

**The Crisis Years (70s/80s)**
- Over production
- Exploding expenditure
- International frictions
- Supply controls

**IHL 1992 Reform**
- Price cuts and compensatory payments
- Surplus reduction
- Income and budget stabilisation

**Agenda 2000**
- Deepening the reform process
- Rural development

**CAP Reform 2003**
- Market orientation
- Decoupling
- Cross compliance
- Consumer concerns
- Environment
- Enlargement

**CAP Health Check 2008**
- Reinforcing 2003 Reform
- Dairy quotas

**CAP RLI ORM Post-2013**
- Greening
- Targeting
- Redistribution
- End of production constraints
- Food chain
- Research & Innovation

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A policy for UK Agriculture
Our support for the industry


Making sense of the issues
Helping the industry navigate the best path through Brexit
The impact of Brexit on the UK agricultural workforce
What might Brexit mean for UK trade in agricultural products?
2015 UK food and drink export values by destination

Source: AHDB/HMRC

Note: Includes alcohol
UK exports – key products and markets

Source: AHDB/HMRC

Selected products

- Whisky: £750m
- Fish: £189m
- Cereals: £132m
- Fruit & Veg: £146m
- Pigmeat: £120m
- Cheese: £111m
- Beef: £109m
- Confectionary: £95m

Countries:
- US
- Spain
- Ireland
- France
- Hong Kong - Wines: £165m
- Taiwan - Whisky: £199m
- Singapore - Whisky: £201m
Shifting trade deal dynamics?

Source: European Commission

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Agricultural policy models
UK Governments have been critical of value for money offered by Pillar 1 direct payments, but funding guaranteed until 2020.

Agricultural support levels

Producer Support Estimate by country in 2015

Source: OECD