



DG'S UPDATE

Health and Harmony: the future for food, farming and the environment in a Green Brexit

Last week, as we reported in DG's Email, saw the launch of 'Health and Harmony: the future for food, farming and the environment in a Green Brexit', [the government's consultation paper](#) on the future of farming and the environment after the UK leaves the EU. [Read the document on GOV.UK.](#)

In DEFRA's own words:

"'Health and Harmony: the future for food, farming and the environment in a Green Brexit' sets out the government's ambitions for farming in England and seeks the views of all readers on its proposals." The document sets out the overall direction of travel of future agricultural policy, while inviting views on how best to achieve it.

The ten-week consultation period will include a series of national and regional stakeholder events. It will be followed by an Agriculture Bill which will provide the necessary powers and authority to put the new policy into effect. The paper sets out a positive vision for the future with reforms designed to benefit farming, the environment and the taxpayer, building on the ambitions set out in the recent 25 Year Environment Plan and the [Industrial Strategy](#).

Stephen Howarth, Economist at the AEA, last week, pointed out some of the more salient points and we will continue to dissect and formulate a response from the AEA and also as part of the Agri-Brexit Coalition:

The government has published its long-awaited "Command Paper" on its plans for future agricultural policy in England. In truth, most of its contents had been trailed before, most notably in Michael Gove's speech at the Oxford Farming Conference in January. In that speech, he was also at pains to make it clear that the paper would be a consultation and so it is, with plenty of detail still to be worked out. Responses are invited between now and the deadline of 8 May. It is then expected that the paper and consultation responses will form the basis of an Agriculture Bill to be published in the autumn.

Once we leave the Common Agricultural Policy (CAP), the paper proposes an "agricultural transition" period of several years to allow farmers to adapt. During this period, direct payments will continue to be paid but they will be reduced, starting with those receiving the highest payments. After the end of the agricultural transition period, direct payments will end and be replaced by initiatives to help farming become more productive and deliver a range of "public goods". As well as environmental protection these will include animal welfare, animal and plant health, research and innovation, rural communities and public access.

Encouragingly, the paper includes plenty of support for investment in new technologies and recognises the need to upskill the industry's workforce and raise awareness of agriculture as an exciting and attractive career path.

Another area of focus is risk management and resilience, with the government planning to facilitate development of market-led risk management tools, such as insurance, futures and options contracts. It will also take measures to enhance the transparency and fairness of markets. The government is also seeking to change the regulatory culture in the industry by making the enforcement regime more targeted and proportionate. As announced at the recent NFU Conference, Defra has commissioned

a review of inspection and enforcement methods, with a view to reducing the burden while maintaining standards.

Published 27 February 2018. To read more about Health and Harmony: the future for food, farming and the environment in a Green Brexit [click here](#).

If you would like to respond to this launch before the deadline of 11:45am, 8th May, there are several ways to get in touch: either forward your feedback directly to us or follow any of the other ways to respond, highlighted below.

Respond online or

E-mail to: agricultureconsultation@defra.gsi.gov.uk

or Write to:

Agriculture Consultation Team

1b - Future Farming Directorate

Department for Environment, Food and Rural Affairs Nobel House

17 Smith Square

London

SW1P 3JR

CEMA News

CEMA highlights positive signals for the agricultural machinery market in 2018

In 2018, CEMA advises that the agricultural market may grow further across Europe than the highs of 2017, an expectation based on the CEMA Barometer and the economic experts of the CEMA member associations. Economic experts from France, Germany, Belgium, Italy and the UK all expect a small growth of the agricultural machinery market for 2018 in their country.

This positive trend is confirmed by the latest CEMA Barometer index. The CEMA Barometer index is going up for several months already and is currently at its highest point since 2009.

Farm Equipment Industry discusses current & future technology trends

Impact of EU legislation, autonomous vehicles, digitisation and CO2 reduction among the topics that filled up the annual VDMA technical working committee.

Please see CEMA press release on the High growth for European tractor market in 2017 [here](#).

The March Edition of the CEMA Newsletter can be accessed [here](#).

AEA CONFERENCE



Tickets are selling very well for this year's AEA AGM, Conference and Luncheon on Tuesday 10th April.

There are just over three weeks to go until the event and building up to the day we would like to highlight the profiles of our four speakers.

This week we'd like to introduce you to **Derrick Wilkinson**.

Derrick has some 30 years' international professional experience in the analysis and development of trade policy, negotiations and disputes, as well as with European and other agriculture, food, and land use policies. He has worked on the development of trade, agriculture and environment policies with Ministers, senior government officials, and businesses from a wide range of countries around the world. In addition to the EU and member states, these include Canada, US, Australia, New Zealand, and China. Few others in the UK have expertise in both trade policy and agriculture. Still fewer have worked professionally with both the Cairns Group and with the European farming unions.

Derrick lived and worked in Canada for 25 years before returning to the UK. He earned an economics degree with first class honours in Canada, before earning an M.Sc. with Distinction, in International Political Economy, and a PhD in international economic relations, at the London School of Economics.

For nearly 10 years he worked as the Senior Trade Policy Advisor to the Government of the Canadian province of Alberta, on trade policy analysis and negotiations, including the Canada-US FTA, NAFTA, and the Uruguay Round negotiations that established the WTO, as well as numerous international trade disputes. Derrick has also taught occasionally as a guest lecturer in international trade policy at the University of Birmingham. In addition, he has more than 20 years' professional experience with all aspects of the analysis, development, and implementation of EU agriculture and land use policy – including as Chief Economist at the NFU and later at the CLA. He has published numerous articles on international trade policy, environment policy, and agricultural economics, and spoken at conferences and seminars throughout Europe and North America.

The breadth and depth of this experience provides an unparalleled resource for developing creative and practical solutions to the wide range of business and policy challenges presented by Brexit.

The Conference is being held at One Great George Street, London. Attached is a copy of the conference **booking form** and also a **flyer with further details** on the day should you wish to book. Please note, the closing date for bookings is Friday 6th April. To those of you who have already booked, we look forward to seeing you there.

POLITICS & ECONOMICS

Government Growth Forecasts Revised Up

Earlier this week, Chancellor of the Exchequer Phillip Hammond, delivered the first of his new-style Spring Statements. If it is anything to go by, we shouldn't expect too much substance to these statements in the future. The headline news was an increase in the Office for Budget Responsibility's forecast for GDP growth this year, which is now put at 1.5%, rather than 1.4%. Growth in the following two years was kept at 1.3%. The OBR expects inflation to fall over the next 12 months and wages to rise faster than prices for the next five years.

Elsewhere in the statement, the allocation of the £3 billion of Brexit-related funding, announced in the last budget, to Department's was announced. Defra will receive the second largest chunk of this (after the Home Office), £310 million, to allow it to prepare for the changes which will be required. Most other announcements were relatively minor or were updates of previous commitments. Among them were a reminder that the national living wage will rise to £7.83/hour in April, the decision to bring forward the next business rate revaluation from 2022 to 2021 and an allocation of £95 million (out of a pot of £190 million) for local roll out of full-fibre broadband. Many of the areas involved in the latter are predominantly urban but the successful bidders do include Cambridgeshire, Coventry, Solihull & Warwickshire, the Highlands, Mid Sussex and North Yorkshire.

The statement also launched a number of consultations on future tax changes, mostly fairly technical. The most prominent was a potential tax on single-use plastics but others cover issues including digital payments, VAT collection and treatment of work-related training. There is also a plan to consult on the effect of red diesel use on air quality in urban areas, although this will be focused on non-agricultural uses.

Christmas Grocery Spend Was Biggest Ever

Christmas 2017 saw a new record set for grocery sector revenue, according to new analysis published by AHDB. A significant contribution was made by the £1.4bn spent on the Friday and Saturday before the big day, with total spend in the week before Christmas totalling £3.5bn. Hard Discounters saw their highest ever combined penetration, with almost half of shoppers visiting these stores in the last four weeks of the year. Aldi's 'Specially Selected' meat range grew by almost 50% and Lidl's premium turkey, gammon and beef offerings also performed very well.

Meat, fish and poultry had their biggest Christmas ever, sales value reached £430.3m over the four-week period. This category reflected many of the overall trends this Christmas, including the broader - but not universal - push for premium, which helped to deliver strong performance. Tradition was influential, both fresh and frozen turkey grew ahead of other proteins (+6% and +10%, respectively), as it attracted new shoppers as well as gaining spend and volume from other categories, especially beef. Premium own-label turkey, in particular, saw strong growth. After a strong performance last year, gammon saw a drop in the amount sold but an increase in prices meant spending was still up. Fresh lamb joints grew ahead of beef and pork this Christmas, driven predominantly by larger baskets. Shoppers looked for standard tier lamb, despite premium playing a key role for other proteins.

Brits spent £2.6bn on dairy products in the four weeks before Christmas (up 6.3% year on year). Despite rising prices, dairy is also growing ahead of the overall grocery market. Cheese had a strong Christmas in both value and volume terms, with shoppers particularly looking for the more speciality cheeses, such as soft continentals.

R&D Spending Continues To Rise

Although a little out-of-date, newly-published figures show that UK spending on research and development rose by over 4% in 2016, to £33.1 billion. Most of the growth came from R&D carried out by businesses, which now account for over two-thirds of the total. The biggest contributors are the pharmaceuticals and motor vehicles sectors, which together account for over a third of business R&D. Government funding of R&D declined in 2016, to account for around 20% of the total (this includes funding of R&D carried out by businesses and higher education). Business spending on R&D was up 10% in 2016 and made up over half of total funding. The South East and East of England were the dominant regions for R&D activity, accounting for 37% of total expenditure between them.

UK R&D spending in 2016 represented 1.67% of GDP. This is below the EU average of 2.03% but puts the UK in 11th place out of the 28 EU Member States but well behind Germany and France, among others. Only two countries, Sweden and Austria, are meeting the Europe 2020 target of 3% of GDP.

TECHNICAL NEWS

EU - The European Commission have published a revised list of Referenced Standards to the Radio Equipment Directive 2014/53/EU and Machinery Directive 2006/42/EC. Please see: **RED referenced standards (9 March 2018)** and **MD referenced standards (9 March 2018)**

DEFRA - The Chancellor announced in the Spring Statement that Government will hold a Call for Evidence on NRMM and red diesel. The intention is to collect data on NRMM and additionally, DEFRA also want to know if use of rebated fuel is preventing a shift to lower emission alternatives where these exist. Defra will issue the call for evidence within the next couple of weeks.

EU Working Group Agricultural Tractors – WGAT 109th meeting took place in Brussels and concentrated on the remaining issues of the 167/2013 regulations and respective delegated acts, including amendments to constructional and fundamental safety requirements. COMM announced that all amendments are to be published in the EU Official Journal by June 2018. Mr Mehdi Hocine, Deputy head of unit was in the Chair. He is a French national and studied economics and finance . For information; RAR is to be adopted by commission 21 March 2018, Delegated regulation Stage V/REPPR/NRMM was adopted 12 February 2018, Delegated regulation ABS adopted 15 February 2018, Delegated regulation RVCR adopted 9 March 2018 and should be published in EUOJ by June 2018, Delegated regulation RVFSR adopted 15 February 2018. Future improvements of regulation 167/2013 (consisting of a wish list suggested by COMM) includes the following; Definitions, a and b speed index, R and S vehicles, harmonisation with OECD and ISO, enhanced requirements for ATV/SxS, devices to prevent unauthorised use (UN ECE 18 or 62), and improved anti-tampering requirements. This wish list was not an exhaustive one. A further meeting of WGAT was not decided upon.

MEMBER NEWS

100 Years of John Deere Tractors

Congratulations to John Deere who entered the tractor business 100 years ago on 14th March 1918.

[Read more](#)

INDUSTRY NEWS

IAgrE launch photographic competition to celebrate 80 year milestone

[Read more](#)

Technical Innovation Recognition by RHASS Awards Open

[Read more](#)

AEA DIARY DATES

19 March – ISO/TC23/SC17/ WG2, Stockholm

19 - 21 March - ISO/TC23/SC17/WG1, Stockholm

20 March – AEA Board of Directors, Peterborough

20 March – ISO/TC23/SC17/ WG4, Stockholm

21 - 22 March – ISO/TC23/SC17 (Manually portable forest machinery), Sweden

22 March – ATV / Side by Side mtg, Peterborough

27 March – MCE/3 (Machinery), BSI, Chiswick

28 - 29 March – EGMF Technical Committee, Brussels

EXTRANET

The following files have been uploaded to the members' area of the website this week:

Tech - General

Legislative Update - March 18

Technical News - March 18

Econ - News

Economic News & Views Issue 770

EVENTS

IAGRE Meetings

Details for all upcoming IAgrE meetings can be found [here](#).

IAgrE Young Engineers' Competition 2018

Working with the younger generation is a high priority for IAgrE and we have a number of initiatives aimed at this group.

[More Information](#)

EEF Employment Law Seminar

The AEA is hosting an EEF Employment Seminar at its offices in Peterborough on Tuesday 3rd April from 09.30 – 12.00. The event is free of charge to attend.

[More Information](#)

SMART-AKIS workshop: Finding the Funding – The Research and Business Guide to Smart Agri-Tech Finance

10:00-16:00 22nd March, Kings Lynn

Funding is complex and this workshop will sign-post the best opportunities for Agri-Tech solutions. Together with Smart-AKIS the process of obtaining funding is demystified by presenting and discussing the different routes and providing insider tips, from national funding streams to smaller, local funds and everything in between. Dr. Thomas Engel, Manager of John Deere's Technology Innovation Strategy will give a keynote address, where he will also be discussing JD's role in helping bring new innovations to market.

[Book Here](#)

MEMBERSHIP BENEFITS

Affiliate membership of EEF, the manufacturers' organisation.

AEA are Affiliate Partners of EEF, the manufacturers' organisation. Our relationship entitles all AEA members free access to additional services and support provided by EEF and automatically qualifies you to become an Affiliate Member of EEF. To sign up and start taking advantage of the benefits available, please [contact Angela](#)

Legal advice lines for full & associate members

Advice from Gowling WLG LLP Solicitors (FULL & ASSOCIATE MEMBERS ONLY) – [contact James Barr](#) on 0121 393 0032

Healthcare for full & associate members & affiliates

Punter Southall Health & Protection are a specialist healthcare consulting group with experience in sourcing the best available terms for clients. I would recommend that all members take advantage of the free healthcare review which has been negotiated on behalf of our members. [Contact Richard Gould](#) on 01274 588862

Health and safety guidance for full & associate members

Guidance is available upon request by [contacting Angela](#) and we will then be able to put you in touch with a competent person to assist you and your questions.

Ruth Bailey

Chief Executive Officer

Agricultural Engineers Association

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