



GRAND CHALLENGES
Tackling 21st Century challenges together



Student Farm
Cooperative

Connecting Farming with the Future



www.studentfarmcoop.org.uk



@studentfarmcoop

Business Strategies for

BREXIT



Impact on the
farming industry

WHAT HAPPENS AFTER THE UK LOSES THE €3 BILLION IN FUNDING FOR FARMERS?

British farmers receive a total of €3 billion from the EU's agriculture fund. In 2016 the UK Treasury said it would replace any shortfall in funding that might arise until 2020, however there are potential risks once this funding ceases.

There will be a fall in investment spending by farmers and the agricultural sector is expected to shrink.

Without subsidies, 90% of farms have been predicted to collapse.

In terms of operations, farms would be forced to innovate and diversify further in order to survive.

WHAT HAPPENS IF THE UK LEAVES THE SINGLE MARKET?

The UK intends to leave the European Single Market which would end the free movement of goods, capital, services and labour, resulting in British farmers losing the subsidies, beneficial trade deals and access to cheap seasonal labour.

The UK puts more into the EU's Common Agricultural Policy (CAP) than it takes out, meaning subsidies for farmers on the continent could also fall.

UK farmers would be able to obtain free trade agreements with non-EU countries allowing them to be competitive on the global market.

WTO (World Trade Organisation) rules would mean a minimum tariff into the EU of 20%. On red meat, which is an extremely important product of the British economy, there could be between a 50% and 70% increase in costs when exporting into the EU market.

WHAT HAPPENS IF THE UK REMAINS IN THE SINGLE MARKET?

If the UK remains in the single market, British farmers would continue to receive roughly £15,000 (\$18,700) a year from direct payments and the EU rural development fund. For some farmers, direct payments account for 70 percent of their income.

The UK's imports to the single market would still have to adhere to regulation and "red tape".

Less opportunity for UK farmers to develop in the global market and competition with EU farmers would still be present.



WHAT CAN FARMS DO TO REDUCE RISKS?

There are a number of other ways farms can reduce risk post-Brexit:

- Diversification - B&Bs, farm parks, farm shops.
- Niche markets - Focus on your speciality whether that be sheep, lamb, beef or even whisky.
- Reduce the supply chain - farm shops selling directly from farm to consumer.

We have set up the Student Farm Cooperative with the aim of connecting students from a range of backgrounds to farms across the UK and Europe. Our goals are to:

- Knowledge sharing between the farming and student communities across the UK and EU to create more effective and productive farming processes.
- Establish and maintain excellent relationships between these communities across the UK and EU.

- To raise student awareness of farming and the production of food
- To open student market places to their local farm produced products.

WHAT HAPPENS IF WE GET FREE TRADE AGREEMENTS WITH NON-EU COUNTRIES?

The UK could undertake a version of what New Zealand did in the 1970s. In response to the loss in European markets, it could radically liberalise the farm sector, compelling it to compete successfully in world markets.

Government subsidies could still be used to maintain farmers' incomes and for environmental stewardship.

UK farmers could be under threat from free trade deals. For example, the US could undermine UK pig farmers with cheaper, less regulated meat.

**"Farms need
to innovate
and diversify"**