

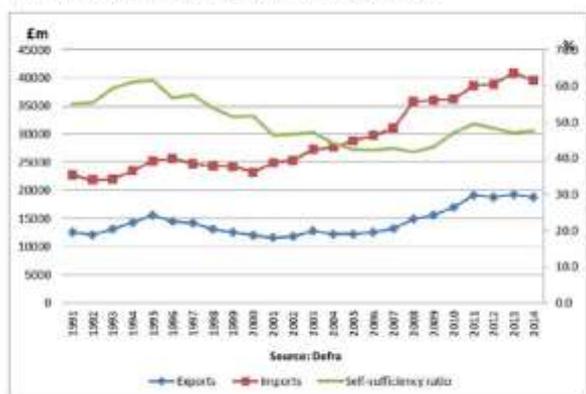
Rtn Bob Thompson spoke at Club meetings on 24th September and 1st October 2021 about the history of subsidies to UK farmers and subsequent effects of Brexit, the Pandemic and subsidy changes due to global warming.

The first part of the talk went back to post World War 2 when our nation only produced 33% of the food we consumed. The shortfall was made up by our Empire and Commonwealth where circa 70% of our food was sent to our shores via large merchant ships in exchange for our highly prized manufactured goods.

WW2 reminded our nation that this was our Achilles Heel as Nazi submarines were sinking our supplies at a rate which could have led to starvation.

Following the end of WW2, a new Labour Government revolutionised British agriculture, including Acts of Parliament to provide security of tenure to agricultural tenants, high grants for new farm buildings and drainage together with modern mechanisation and subsidies for most foods grown and animals reared for meat supply. The subsidy was a guaranteed price so that if the market price fell below this level, the shortfall was paid to the producers.

Figure 5.2: UK self-sufficiency in food products, 1991-2014



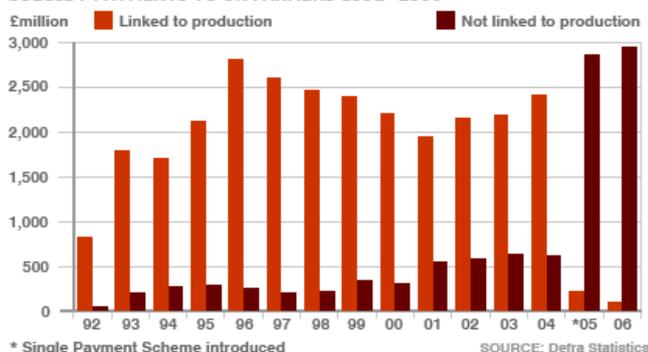
In the 70s our nation joined the Common Market where their form of subsidy was to reduce the supply so as to increase the market price, a system known as INTERVENTION. This was effectively dumping very large amounts (up to 70%) of the produce mainly to the USSR and North Africa and very very low prices. This annoyed farmers in the world which exported food, as the EU (now named) policy of dumping food prevented countries like the USA, Australia, Canada and South America to compete with such low prices.

The USA could not challenge Intervention (dumping of food) as they needed to keep on good terms with the EU where many of the bases were located with nuclear deterrents. However, following the fall of the Berlin Wall, US farming lobby pushed hard for Intervention to be stopped as the view was that the USSR was finished.

Several changes to subsidies were explained to try to overcome the complaints from both the USA and other food producing countries; most of which were our allies. Many changes were made by the EU which I won't attempt to explain but the first change being the IACS System which created fixed high-priced subsidies, irrespective of world market rates. It just so happened that various things came to fruition soon after the implementation of the IACS system including China rising to become the second largest economy in the world, global warming, and crops being utilised for alternatives to fossil fuels which increased world food prices. So bit by bit the production of food started to reduce.

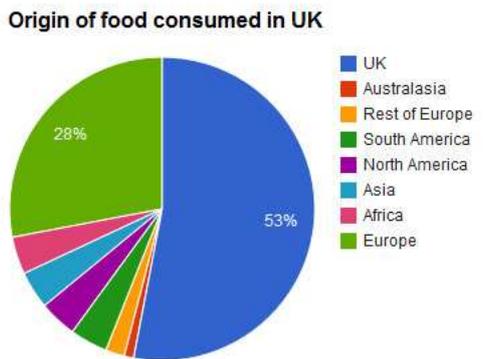
New subsidies were finally introduced whereby other than basic environmental rules to comply with, the EU farmer did not have to produce any crops or animals for meat at all.

SUBSIDY PAYMENTS TO UK FARMERS 1992- 2006



In his second talk Bob outlined that Brexit is about to revolutionise UK farming as was the case after WW2. From 2023 the main subsidies to our farmers will change to them carrying out works known as Public Goods, such as a levy on red meat production, planting woodland for flood defences and many many more, none of which have anything to do with the production of food.

The Pandemic is more to do with our delicate finances with costs close to £450 billion. As we already have a debt level of £2.57 trillion inflation is a dangerous side-effect. 1% increase in bank base rate will cost our economy £25 billion per annum. So, as we only produce 50% of the food we eat, imports will become more and more expensive.



CO2 reduction is a good goal to achieve, but as the UK only produces 1% of the world's total emissions, we are already paying for too much to achieve this goal. In particular, food prices will rise considerably, we already pay twice the price for electricity than those in the EU. The likelihood of China, India and the USA which produce over 50% of CO2 emissions, following our lead, is highly highly unlikely.

The population of the world has increased from 1 billion in the 1800s to 2 billion in the 1930s to 7.8 billion now.

The UN estimate that by the 2050s the world's population rate will be close to 10 billion and to accommodate this, the world will have to increase its production of food by 70% from its present rates. So importing food to our nation will be dangerous to us and especially for our future generations.

Members engaged in a enthusiastic Q&A session with Bob before thanking him for an extremely well researched, authoritative and very interesting and pertinent presentation.