

Bittersweet Brexit

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The Future of Food, Farming,
Land and Labour

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All Change

This chapter sets out where we are now, and the significance of food and farming, and how we may be undergoing some of the biggest changes in our food habits for many years. There is an opportunity to discuss what we want from our food system in ways we have not been able to do for decades. But in order to decide where we may be going, we have to look at where we have come from to learn some lessons.

In June 2016, a small majority of British people voted to leave the European Union. This is going to mean one of the biggest changes in our food and farming system in the last 200 years. The Tories repealed the Corn Laws in the 1840s and Labour introduced the Agricultural Act following the Second World War. Now Brexit takes us in another direction.

When we voted, there was virtually no discussion about how leaving the EU would change what and how we eat, or indeed much else. Yet, the changes will affect virtually every part of the food and farm chain. Our exit will change how much we pay for food, who works the soil, what we eat, how our land is used, and most importantly, where we get our food from. It won't just be a matter of losing the directives, changing the laws, deciding what we do about tariffs, but more a matter of who we want to be.

In the run-up to the Referendum, there were some rumblings about farm subsidies. Farmers were reassured that something similar to the EU subsidies would continue. But days after the result, government ministers were saying they couldn't promise anything. So alarmed were farmers that the Chancellor, Philip Hammond, guaranteed a month later that farm subsidies would remain till 2020. The Tory manifesto for the June 2017 election extended that to 2022. That is no time at all. When I lived on a Lancashire hill farm in the 1970s, we had to plan way beyond that timescale.

The food and farming sector voted in different ways. Fishing communities voted overwhelmingly for out – over 90 per cent. The National Farmers Union (NFU – the big farmowners' association),¹ was



Figure 1 Predicted Brexit Vote, April 2016, predominantly around arable land in eastern England. (<http://blogs.lse.ac.uk/politicsandpolicy/can-we-really-not-predict-who-will-vote-for-brexit-and-where/>)

divided, some being dependent on migrant workers, others on subsidies. The Fresh Produce Consortium adopted a policy of neutrality. 70 per cent of members of the Food and Drink Federation wanted to remain. The Country Landowners and Business Association (CLA) lobbied ministers to 'do the right thing', but didn't take a position.² Farmers in Wales were convinced their subsidies would be safe, so voted to exit. I thought it was like turkeys voting for Christmas. Small farm tenants were clear they did not want to exit, as they believed the EU best served their interests. Tate & Lyle were avidly Brexit.

I spoke at a Food Ethics Council/Kindling Trust Conference in Manchester, one of the few food conferences addressing Brexit, in the run-up to the Referendum, where I made the case for remain. While I thought the EU's Common Agricultural Policy (CAP) was crap, I feared that our land and labour would be less protected outside of the EU. These two aspects are important to me as I believe that all our wealth is created from the soil and labour. Aspects of food production are of particular concern to me as I've represented farmworkers and I am a soil zoologist. I gained a doctorate in the early 1970s in soil ecology at Wye College, London University. I was on the National Sector Committee for Rural and Agricultural Workers of Unite, the union, having also represented them for many years on the Health and Safety Executive.

At that conference, I spelt out what drove Brexit in the first place. The main thrust to leave from the public came from the East of England, driven primarily by concerns over the number of migrant workers in the fields. I see these field operations as 'plantations' as they run monocultures with migrant workers on vast tracks of land – the definition of a plantation. While many of us think we are helping the country by buying vegetables wrapped in a Union Jack, we don't want to look too closely at how these crops are grown. Work conditions are so bad, most of us won't work there, and the soil conditions are also being badly degraded. We'll see more in the chapters on labour and land. People living in these growing areas feel that their own culture is being pushed aside, and their voice not heard.

During the talk, I put up a map of the predicted Brexit vote (see Figure 1), alongside another map showing the types of farming in Britain. The two maps were closely matched in terms of likely Brexit vote and areas of ploughed – arable – land in the East of England. In the Referendum, this Brexit vote was joined by high Brexit votes in Northern towns, where I have lived for 30 years. In these Eastern arable areas

people voted 3–1 to Brexit, while the Northern mill towns voted around 2–1. Those in the cities, oblivious of the ways we produce our food, happy just to have cheap, convenient, fresh food, wanted to Remain.

That original thrust came because many people in the East of England didn't like the way we are producing our food. Good honest migrant workers doing jobs we won't do at all, in all weathers, were seen to be 'taking over our culture'. The blame was put on the migrant workers rather than the mode of agricultural production. The surrounding communities felt they had lost their own identity – just as many people in the Northern mill towns feel. We cannot duck this issue. It needs sorting, and is crucial to how we produce our food in the future.

While acknowledging that immigration was a major component of the Brexit vote, how different the outcome might have been if people had not also been under the cosh of austerity. Since the banking crash, the Coalition government of 2010–15 and the Tory government since have cut funding to schools, hospitals, bus routes, libraries and welfare benefits, mainly in areas outside the wealthier parts of London. The list goes on, with shortcuts in safety and health, frozen public-sector workers' wages, final salary pensions closed and wages in the private sector held back in an effort to plug the pension hole. We call this 'austerity', but it hardly begins to describe the pain.

Investment levels are at their lowest since the Second World War, and debt is higher than before the crash. During the June election of 2017, we kept hearing the Tories saying, as did the Prime Minister on 'Question Time',³ that 'there isn't a magic money tree we can shake.' Yet I know of an orchard full of magic money trees. It is a walled garden in the City of London, where only bankers are allowed. There they grew these magic money trees, producing nice juicy fruit – called bonds. Reaping this fruit harvest is called 'Quantitative Easing' (QE). This is where the government pays for these fruits to the tune of £375bn, yes *billion*, as explained by the Bank of England⁴ and an organisation called Positive Money.⁵ No harvest is too abundant here in the orchard of magic money trees. They know that if there is ever another 'banking crisis', the government will come and pick, pluck and pay for their juicy fruit, all over again. That must be where the phrase 'rich pickings' comes from.

In financial jargon, the Bank of England created new money (electronically or out of thin air) to buy back bonds from the commercial banking sector (ordinary banks to you and me) which was then free to use the proceeds as it wished. According to the *Financial Times*, in an

article called ‘There is a money tree – it’s called QE’, QE boosts assets like property and equities. So the already rich do well with their stocks, bonds and buildings, while the poorer and younger have to pay higher rents and don’t get a final pension settlement anymore. It means there are hidden tax cuts for the rich but hidden tax rises for the poor. The *FT* went on to ask: ‘QE may have contributed to the rise of populism. Could Brexit, Trump, and the dissatisfaction across western nations, be partly due to its effects?’⁶ So while we were bailing out the bankers, many were blaming the immigrants for their ills.

In this book I want to give you a flavour of a different world, where we could create a different food and farming system, which produces fruit for us all; lovely, lush, fresh, delicious and excitingly new foods to feed and nourish us all. It is quite feasible.

Up for Grabs

Perhaps Brexit will give us the chance to change. For a year after the Referendum, all we heard was ‘Brexit means Brexit’, whatever that means. We were told ‘no deal is better than a bad deal’, whatever that means. And that the government would get the best possible deal – whatever that means. It was as if everybody knew what they had voted for, and there was only one interpretation. There would be no discussion – the ‘people had decided’. It took one individual, Gina Miller, to force the government even to allow debate in the mother of all parliaments. It all looked set. With a clear majority and a statutory period for the parliament, the ‘will’ of the people would prevail – whatever that meant. Yet, it seemed this invincible position was not enough – the Prime Minister, Theresa May – wanted a mandate for the negotiations, as a strong and stable leader. She called a snap general election.

She didn’t get a mandate. She got the opposite. Overnight everything was up for grabs. The clear ‘hard’ Brexit we had been heading for, looked a lot less clear. All politicians were asked to clarify what they understood by Brexit, and where they stood. People started asking what is a ‘hard’ and a ‘soft’ Brexit? The negotiators in Europe said they didn’t recognise either term. Some – like Michael Heseltine – raised the possibility that perhaps we could get what we want by staying in the EU. Others, like Ruth Davidson of the Scottish Conservatives, said they weren’t bothered about coming out of the Single Market but did want to go off around

the world doing deals. Labour fudged by keeping quiet on the matter, thereby attracting Remoaners in the South and Brexiteers in the North.

What is clear, amid all this confusion, is that we now have the opportunity to influence matters over the next few years in all sorts of ways. In this book, I will point out the options regarding food and farming. This requires explaining many of the issues involved with any form of Brexit, and I hope to cover most of those directly affecting food and farming.

Once outside the Single Market, we are out. Yet many believe that we can still have the same market access. It's called 'wanting our cake and eating it'. The response from Germany invoked another foodie phrase – that we cannot have an '*a la carte* Europe'. The process of leaving the Single Market – divorcing from our other 27 partners – will be complex. Extricating ourselves from all sorts of laws and institutions will be hard enough, but there are many more problems ahead if we leave the Customs Union.

Customs is about taxes and food trade. Sorting out all the food taxes is a mammoth undertaking. Some 2,000 agricultural products attract taxes on trade (tariffs), each complicated with quotas. There are a further 15,000 processed foods (PAPs) attracting tariffs. Angela Merkel said that there will be no 'cherry picking'. The EU says we have to be divorced before we can talk about trade deals.

This book gets its name from the definition of bittersweet: (of food or drink) sweet with a bitter aftertaste, as in: 'she sipped the bittersweet drink'. Some say there is a land of milk and honey ahead – the sweet version. Others say that we are about to throw ourselves over the Tariff Cliff into the waves below. We know there will be bitter twists – barriers, blockages and borders. There will also be opportunities and challenges ahead. This book sets up debates about what is important in food and farming in terms of policy, politics and parliament in a way we've not been able to do in the last 50 years.

Many food businesses will be worried. The dependence on migrant workers from the EU is now clearly in jeopardy. Food producers have come to rely on easy access to the Single Market, moving food ingredients around freely. Lorries can come and go now, but in future there will be checks at the borders, whether for health or tax reasons. Yet we keep hearing people saying they want free access.

Add to this the hidden protection that has been afforded to food-producers and farmers. It has been a deliberate EU policy to protect food

and farming. That used to be ‘our’ protection, now it is ‘theirs’. Many food imports are subject to taxes – tariffs. Once outside the Single Market and Customs Union, many will urge that we should have access to cheaper food from abroad. For example, the *Economist* says, by protecting food producers, UK customers are being ‘milked’. For producers there will be a double whammy as once we step outside the EU, we will be considered a ‘third country’. Not only will the protections go, we will be subject to tariffs when we want to export our food into the EU – our biggest market.

Despite all the talk about ‘the best possible deal for all’, there is a major contradiction. Reducing tariffs on foodstuffs coming in to the UK would make food cheaper for consumers. But that puts the food and farm producers in the UK under increased pressure – when they have been protected up till now. Clearly there is conflict. Each foodstuff has different rules, tariffs and quotas, and there is no sign of how these will be sorted out. We will pick up on this in Chapter 2. First, let’s take a closer look at where we are now.

WHERE WE ARE NOW

At present, we barely produce half of our own food (54 per cent to be precise⁷). We import twice the value of food that we export. The Food Trade Deficit (FTD, as I’ll call it, is \$33bn). These values are expressed in dollars, as that is the main currency of international trade, and the import/export figures are recorded in dollars. It is useful, as import/export figures in sterling are drastically different from a year or so ago, as the pound has devalued since the Brexit vote.

By spending the money spent on imports on our own foodstuffs, we could recycle money back into our economy. The amount we would spend on food would be the same. If we spent half of what we import on our own produce, our producers and the local economies would be a whole lot better off. Instead of going all over the place, often into speculators’ pockets, we could spend it on ourselves. We could do a lot with that sort of money – over \$30bn.

We spend less than 10 per cent of our earnings on food. The rich spend slightly less, and the poor a somewhat higher percentage of their earnings. This is the smallest proportion of any of the EU countries. More than any other country we have got used to ‘cheap food’, relying on foodstuffs coming from other countries. That cheap food costs the earth in terms of resources, water, energy, pollution, global warming and land

used, all of which we will explore later. Over 70 per cent of our environmental food footprint occurs abroad – i.e. we do twice as much damage to the environment in other countries as we do in our own, because of the way we produce our food.

It is also clearly damaging our health. We are the fattest country in Europe. In percentage terms, the UK has the highest rate of women's obesity, while men manage third place, behind Malta and Slovenia. Obesity is a global epidemic. While I was working for the World Health Organisation (WHO) developing their education materials on food and nutrition plans and programmes, we asked participants, from across Africa and Asia, how their eating habits had changed in the last 25 years. They all said that they had moved away from sitting down to have a meal, to eating on the move. We found obesity and hunger alongside each other, even within families.

Obesity accounts for about four out of five cases of type 2 diabetes – the one you develop rather than are born with. It is caused when insulin, secreted whenever we eat sugars or refined carbohydrates, stops working properly. It is estimated that type 2 diabetes is now responsible for a tenth of all NHS costs. The total cost (direct care and indirect costs) associated with diabetes in the UK currently stands at £23.7bn and is predicted to rise to £39.8bn by 2035.⁸ (See Chapter 8.)

The proportion of what we produce ourselves to what we eat (self-sufficiency ratio) has been going down from a high of around three-quarters in the 1980s to just over half now. We can mark the decline from the moment that Mrs Thatcher opted to leave food policy to the supermarkets. Now could be the time to turn that round, and say we could easily produce more food for ourselves, and in the process build thriving new businesses.

Imports/Exports

We export about \$33bn in foodstuffs, animals and vegetables. Around \$8bn of those exports are whisky and gin. Included in overall food exports are \$8bn of animal products, while fish in various forms account for a fifth. Vegetables bring in a further \$3.3bn in exports, of which 15 per cent is wheat and grain – the same as tea and coffee. We manage to export \$0.5bn of tea and coffee, despite growing neither.⁹

The government wants to increase food exports by £3bn (UK figure in £) over a five-year period. This 'ambitious' international plan was

announced in Paris in October 2016. It sets out to increase drink exports – particularly beer and whisky to the US, Mexico and Australia – along with tea and biscuits to Japan, where apparently they have a taste for our afternoon teas.

We import about \$66bn worth of *all* food – foodstuffs, animals and vegetables – around half of that from the EU. So we import twice as much in the way of foodstuffs, animals and vegetables as we export. The UK is the fifth largest importer in the world, and food accounts for about a tenth of the total.

In terms of foodstuffs alone, we import \$34bn: wine accounts for 14 per cent of the total! Add in chocolate and those two pleasures account for over \$6bn in imports. We can now grow grapes as far north as Morecambe. If only we could grow cocoa! Further we import \$15bn animal products – again around twice as much as we export. Of the \$15bn, \$2.5bn is cheese, poultry \$1.5bn and around \$1bn each of beef, pig meat, preserved meat and fish. Despite producing more varieties than the French, we import two-thirds of our cheese from France. As Liz Truss, then Secretary of State for DEFRA, famously said: ‘That is a disgrace.’¹⁰

We import \$17bn worth of vegetables. That is five times the amount we export! And we are a vegetable-growing country. Grapes account for a billion of that. Citrus and bananas account for another \$1.5bn. We import over \$0.5bn worth each of tomatoes, apples, pears and other fruit, wheat, live plants, corn and frozen vegetables – all of which could be grown here. That could save £4bn. Imagine what we could do with that money.

Instead of exporting to others we should supply food to ourselves. We have a £200bn food industry employing one in eight of the UK workforce, all of whom could use those foodstuffs. Surely it makes more sense to spend time and money *reducing* food imports by £1bn to match the expected increase of £1bn in exports, as a way of reducing the Food Trade Deficit. Controlling our own borders’ could mean controlling the food coming in. By selling food to ourselves, we are not only creating a vibrant economy, we are building some ‘resilience’ and sustainability into our food provision.

We rely on European countries for over half of our food imports, 27 per cent of our total food consumption. We also send most of our food exports to the EU – especially meat. As we move away from the EU, it is hard to see us maintaining that. Somebody on ‘Farming Today’ described

it as challenging. I would say it is ‘pie in the sky’. There are likely to be all sorts of taxes on food trade, and even if there are not, there will still be plenty of new border controls.

Markets

There is a massive problem with obesity and a massive problem of food waste, yet people still keep saying the problem is overpopulation. Simultaneous obesity and food waste show the problem is overproduction – not overpopulation. The present EU subsidies confirm this, as they pay out 40 per cent of the total EU budget to landowners not to produce any more food. For the last 40 years, EU farming policy has been trying to get to grips with overproduction of food. Not overpopulation.

This is because the Western world still believes in a market-based system. Markets are there to reward products in short supply. The converse is that markets don’t reward abundance – when there is a good harvest. I am not the first to notice this – the bard of Stratford did, over 400 years ago. The Porter in Shakespeare’s *Macbeth* imagines himself opening the gates of hell to ‘a farmer that hang’d himself on th’expectation of plenty’ (Act II, Scene 3).

Free markets act against increasing food production. The law of the market is the more there is, the lower the price. In the financial press you can read about bad harvests pushing up prices, as happened in the spring of 2017, when there was a shortage of Spanish lettuces and courgettes. So, it is obvious that good harvests bring prices down. The EU has tried all sorts of ways to mitigate this, yet still clings to the myth of a free market. When prices fall, production costs must be trimmed. This leaves many in the food chain badly paid and often hungry.

We must be able to develop a new farm and food system, without bowing down to the god of free markets. We may now have an opportunity to provide a healthy, varied and more sustainable food supply and develop our own farm and food system to the benefit of rural and urban communities alike.

This will not be just a matter of a few laws or taxes, but of who we want to be, where we want to go, and what we want to achieve. We will need to work out better our own identity through food and farming, and we will pick up on this in the last chapter. Rather than leaving matters to be decided in the finance houses, let us do so in the green fields of Britain. However, before setting off, it is worth looking back at how our food