

## EU REFERENDUM

### Common Agricultural Policy

The Common Agriculture Policy (CAP) was introduced in 1962 with the principle of providing food security and food price stability, whilst also protecting the natural environment. Over the years it has evolved to cover price guarantees, direct payments to farmers and quotas and tariffs on selected imported produce. CAP payments accounts for 40% the total EU budget.

The UK has historically wanted CAP to be scaled back. It receives around 7% of the total CAP spending, while France receives the highest amount at 17%.

### Should the UK remain a member of the European Union?



Yes

No

The Prime Minister has renegotiated the UK's terms of membership. The following themes of the renegotiation will be of relevance to the food and drink sector if the UK remains in the EU:

#### **Economic Competitiveness**

The settlement commits to further reductions in red tape and beauracracy in the EU. Further clarity is required about how these reforms will work in practice and if they will apply to CAP

The EU has agreed to add provision for national parliaments to "red card" draft legislation from the EU if 55% of the national parliaments object to it.

If the UK votes to leave the EU there will be a period of uncertainty whilst new conditions are negotiated. The following issues will need to be considered by the food and drink sector in the event of a Brexit:

Farming and the environment are devolved issues, so it would need to be established whether the UK Parliament would assume legislative powers in relation to farm subsidies or whether powers would be assumed by the devolved administrations.

#### **Exports to the EU**

Agricultural produce will have to continue to abide by the EU laws in relation to packaging and safety if they wish to sell their product in the European market.

Further clarity is required about the rules that would be put in place for exports; for example if export documentation would be required.

#### **Employment**

The agriculture sector has a high proportion of workers from other EU countries. More information is required about whether EU citizens would be allowed to work freely in the UK.