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The NFU champions British farming and provides professional representation and services to its farmer and grower members



Setting the context – A new agenda for farming:

Produce more
Impact less



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World food supply:

- world population due to increase from 6bn to 9bn by 2050
- world food demand expected to double by 2050 (population growth and prosperity growth)
- 2007 harvest was the sixth year out of seven where world grain consumption exceeded supply (world grain stocks just 57 days supply)
- at most 12% more arable land not forested or subject to erosion or desertification
- January '08 Cabinet Office Report states that up to 50% of arable land in UK will be unusable by 2050
- 57% of grade 1 arable land is below the 5m contour line (managed retreat!)
- EU abolished set aside





BUT – impact less!

- Cross Compliance is a requirement for Single Payment Scheme (SMR's and GAEC's)
- 4 million hectares now in Environmental Stewardship – nearly two thirds of land in south east
- New Environmental Set Aside (up to further 5% of land)
- Nitrate Vulnerable Zones (£50k cost)
- Pesticide losses





Where are we now:

- Single Payment Scheme (SPS) continues to prop up farming businesses
- As does diversification income
- Livestock numbers decreasing
- Employee numbers decreasing
- Input costs are increasing
- Restructuring on-going
- Environment is integral
- Regulation is never ending



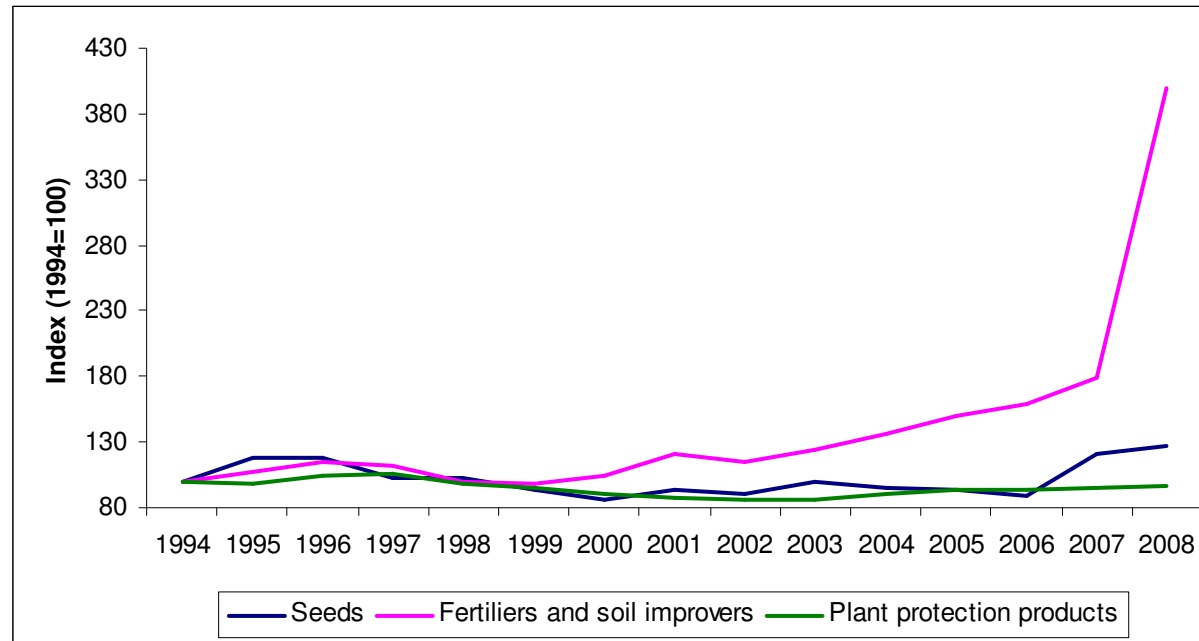
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Seeds, fertilisers and soil improvers and plant protection products:



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Where are we going?

- Single Payment Scheme support will reduce
- Rural Development support will increase (funds agri-environment schemes and measures for rural economy)
- Increased tension between production and environment possible in years to come
- Increased volatility in markets
- Climate change impacts





Output price comparison:

| Commodity | 24/2/09 | 2008 |
|----------------------|-----------------|-------------|
| | £ | £ |
| Feed Wheat | 103 | 181 |
| Milling Wheat | 149 | 201 |
| Oilseed rape | 231 | 359 |
| Finished steers | 291 pence/kg/dw | 245 |
| Finished lambs (R3L) | 375 | 274 |



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Current economic climate:

- Bank lending to agriculture holding up
- Pressure to reduce prices
- Supermarket price wars – cheap food
- Organic market suffering



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The West Sussex farm of the future:

- Slowing in the pursuit of scale
- Increasing collaboration
- More complex and integrated businesses
- More direct retailing
- More on-farm processing
- More part time holdings





What can you do to help?

- Profitable farming is essential to deliver land management and wider rural economy benefits
- Land designations must not rule out economically well founded- enterprises
- Flexible, imaginative planning policies and a positive attitude to achieve:
 - Change of use for diversification projects
 - Infrastructure to exploit new market opportunities

BUY BRITISH! Look for the little red tractor





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