

Brexit reflections and what's next for farming under a Trump presidency

**HUGH
TOWNSEND**



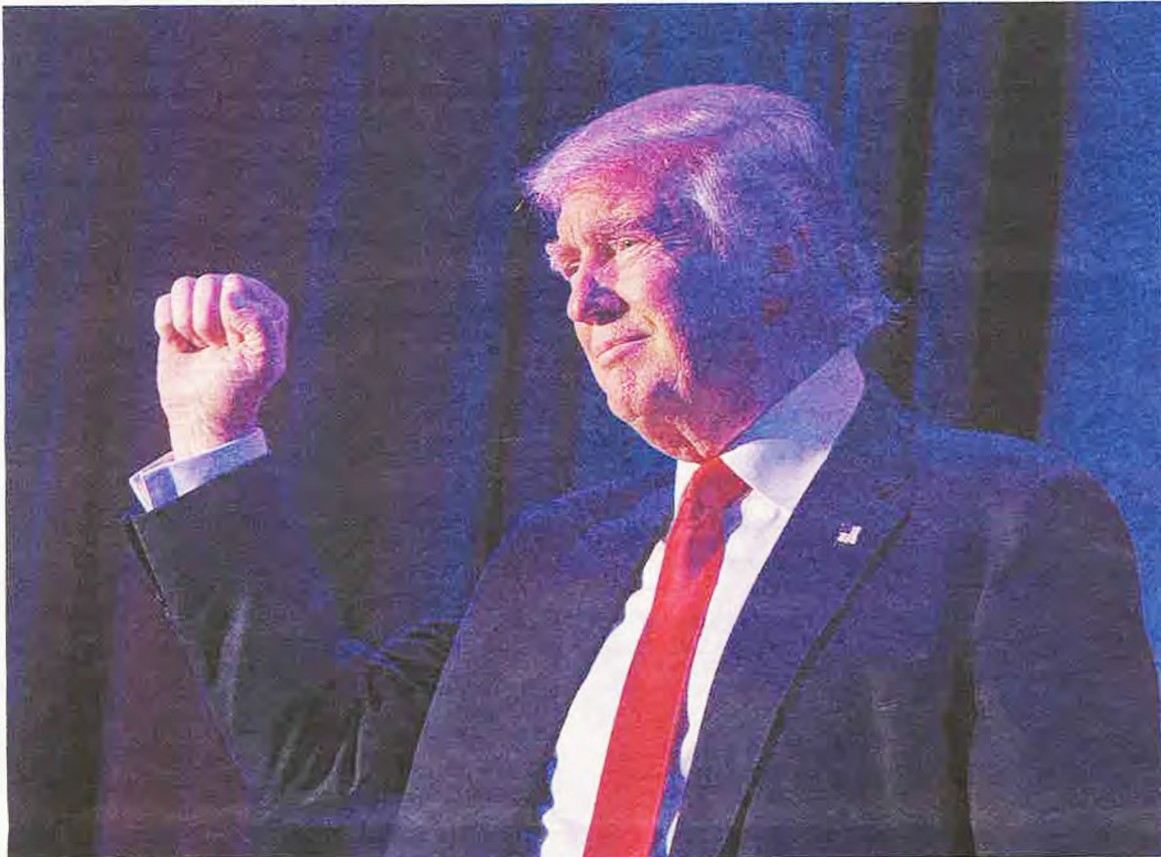
The country still seems divided by the views people had when voting at the Referendum, with those thinking that Brexit is a good thing being optimistic, debating with those who remain pessimistic who think it will be bad for the country.

Efforts are being made through the courts and Parliament to stall or have the opportunity to reconsider the decision the country made. (The most powerful argument used to argue for us leaving the EU was that it was time to seize back power from unaccountable courts and parliaments across the channel, so there is some irony in the fact that, on the 3rd November, Brexiteers were so indignant when our courts ruled, under English Law, the business of triggering Brexit should fall to Britain's sovereign Parliament rather than the government alone.)

Some aspects of the negotiations to be had with the EU seem irreconcilable without damaging UK agriculture, but without the negotiations starting, or the Government revealing their hand prematurely, these choices perhaps appear starker and more extreme in their effect. Time will tell. As we know, the most obvious issues affecting agriculture are migrant workers and accessing the European single market.

In agriculture one feels we are currently in a slightly surreal period before Brexit where things have actually improved since the Referendum. (The usual pattern of when the general economy is down, agriculture is up?) The Basic Payment for 2016 has effectively gone up 16.5% from 2015, and at current exchange rates, if unchanged until September 2017, will be 17.6% greater than 2015 (as at 14.11.16). The de-valued pound has also had a positive effect on exports and a steadying of commodity prices since the "across the board" downturn in 2015. It also looks as if this more benign financial environment could run for three years.

However we have still not yet fully recovered from the finan-



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cial crisis in 2008, and whilst worldwide finances appear to be stable, some would say the problems created pre-2008 have not yet been properly addressed and put right. Therefore it is difficult to be too confident about the value of the pound moving forward now that some of the more decisive remedies needed may only now start to be applied. Indeed it may be that, in comparison with other countries, the UK will soon be seen to be in a better position than it is perceived to be currently, as all currencies still have fundamental financial issues, especially the Euro.

What the financial crisis illustrated was that the western capitalist financial model is not purely governed by market activity, and that one can "buck the markets" but not forever. By 2008 the bankers/financiers effectively nearly destroyed the market and it was govern-

ments and politicians who came to the rescue, ultimately at the expense of everyone.

This came at a high price and created a protest vote which in great part contributed to Brexit. The discomfort we are experiencing with the general UK economy and outlook as a result may make more sense, however, knowing that we are not alone in wanting change. The US election also showed a significant protest vote against the status quo, again, for the same reason, that the financial system/model has not yet been fixed for seven years and more. A vote for change, even with the resulting predicted discomfort of how these changes will play out and the risks involved. Donald Trump! Some would say democracy working at its best.

What is clear, with so much being uncertain worldwide, is that there are now going to be a lot of changes, and I believe

with some surprising results which could show that, when we look back, the UK will be seen as being "ahead of the game". From the day that the result from the Referendum came out, one felt that we were leading Europe in the changes that will inevitably have to take place Europe-wide, and being so close both geographically and as trading partners, everyone would eventually come to their senses and a "new EU" would emerge, one with whom the UK would have an easier alignment.

Whilst uncertainty is not normally good for any business, perhaps we are seeing that it is a necessity to bring us to a more certain financial future. Change is not always bad and in itself leads to greater opportunities. 2016 brings now the political potential to finish the job.

Being ahead of this cycle could have long-term advant-

ages for UK agriculture, and my opinion remains that the farming industry will be looking to a brighter future come Brexit or whatever it may then be called. It reminds me of the Christmas Prime Livestock Show at Exeter Livestock Centre in 2008 where the relief that the financial system was returning finally to normality was palpable, and spirits were much improved after sixteen years of recession in farming. I hope there will be a similar confident-minded turnout at this year's show on the 2nd December, perpetuating the same spirit as in 2008, helped along by our hot cider punch and mince pies, knowing agriculture is still heading in the right direction.

Hugh Townsend, FRICS, FAAV, FCI Arb. is the land agent/surveyor expert of the WMN Farming supplement and he may be contacted on 01392 823935 or htownsend@townsendcharteredurveyors.co.uk.