

“There’s a perfect storm being created because the industry is being undercut.”

The break crop at breaking point?

Technical OSR assurance

With the future of oilseed rape on tenterhooks, the NFU unveiled an ambitious policy at this year’s NFU Conference that would see Defra underwrite up to 80% of growers’ costs. *CPM* delved deeper into what exactly this could mean for the industry.

By Charlotte Cunningham
and Tom Allen-Stevens

Since the ban on neonics, the UK area of oilseed rape has progressively fallen year on year.

What’s more, following an epidemic of cabbage stem flea beetle last year, many growers are choosing to move away from the crop this year — leaving some saying that the future of the crop is now at crisis point.

This was reflected in the recent AHDB Early Bird survey which revealed that the UK forecast area is down 32% on 2019, and could pose a real threat to production, explains Chloe Lockhart, combinable crops advisor at the NFU. “In the best case scenario, OSR production is pegged at 1.2M tonnes — which is still 500,000t below last year.

“In the worst case, and incorporating spring losses, we’re looking at a total crop of just shy of 900,000t.”

In a bid to bring some kind of stability and security to growers, the NFU have formulated an innovative policy proposal

which has been put forward to Defra and was unveiled recently at the NFU Conference.

“The requirement for alternative crops in rotations is crucial, but a distinct lack of viable options means farmers’ income and success is not necessarily secure. There are few options to replace the previous area of OSR,” explains Chloe.

“Given we are soon to break ranks with our closest trading partner, the trading situation growers will be faced with is unknown and could lead to world commodity prices being inflicted on a premium product.”

Supply chain

As well as the effects on farmers, the drop in OSR area has had an impact further down the supply chain, she adds. “In 2019, UK crushers looked to fill approximately 2M tonne capacity and they were forced to import. This is a double whammy for UK farmers and not only does this highlight the exceptional hypocrisy under which they are farming — with many of these imports having been treated with neonicotinoids — but also why the market doesn’t offer fair reward.

“While this is obviously a necessity to keep the supply chain running, it’s not sustainable and the threat of losing the crushing industry from UK shores is looming. Increased handling costs and small ports restrict the success of reliance on imported produce and these pressures are therefore likely to force processors to crush elsewhere.”

Another consideration is the contribution to the protein mix of rapeseed meal, the high-protein co-product of crushing OSR for oil, warns Chloe. “There’s already a 2M tonne protein deficit in the UK, with rapemeal

imports into the EU standing at 5% from the UK — if this is lost, the EU and UK deficit will worsen leading to increased imports of soymeal.”

So what is the NFU proposing?

In a brave, but arguably necessary, proposal, the NFU have asked Defra to back a government-funded scheme which would see farmers reimbursed for up to 80% of the costs associated with trying to grow OSR if their crop fails. “We’re asking for a fresh and new policy solution where the government underwrites the risks associated with cultivating OSR, subject to the farmer operating best available IPM techniques to protect the crop, and utilising innovative approaches to do all in their power to grow a harvestable crop,” says Chloe.

“This offers the farmer some return — 80% on investment in the crop if it’s lost — and affords confidence to attempt cultivation of OSR whilst driving equivalence with imports that may well have been grown using neonicotinoid seed dressings.

“We feel that this is necessary following the highly politicised decision from the government to ban neonics. There’s a



Following an epidemic of cabbage stem flea beetle last year, many growers are choosing to move away from the crop this year, says the NFU.

perfect storm being created because the industry is being undercut by neonic-treated imports which are effectively lowering the price of UK OSR and skewing the supply and demand model."

For a sustainable future, the NFU believes the OSR area needs to stabilise at around half a million ha to prevent the risks of processing plants closing and jobs being lost. "We have worked with our legal team to develop a policy that doesn't contradict any WTO rules and would fit within the current reach of the Ag Bill. There are a few legislation areas under which this policy could sit — mainly dependant on how the government move across or interpret current EU regulation. Under the Ag Bill, this scheme could be proven to deliver public good as well as improvements to soil health," adds Chloe.

Though some farmers questioned whether this policy would just be another subsidy to rely on, the NFU made it clear that their vision was a short-term recovery aid, rather than a long-term crutch. "It's envisioned that this policy would be a temporary measure, providing a stop-gap to stabilise the area until a longer term, effective, technical solution becomes available for the industry," she says.

"It's important that plant breeding aims to develop a longer-term solution through varietal resistance or tolerance which should be driven alongside this policy approach. It's vital that best available techniques are afforded to the UK in order to aid this technological advancement and that any potential solutions are not hindered in their journey to market.

"While we appreciate the need to ensure food and public safety, viable options are desperately needed."

Defra response

While Defra has not yet responded publicly to the NFU proposal, CPM put some questions to the department to try to glean an insight into where this proposed policy could be heading.

Specifically, we asked why Defra finds it acceptable to import rapeseed that would be illegal to grow here.

"WTO rules allow for trade restrictions if imported products are found to pose a risk to human, animal or plant health incompatible with the level of protection that the importing country deems acceptable," said a Defra spokesperson.

"If we ban a pesticide on health grounds then our rules mean that the maximum



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residue levels (MRL) for imports is set automatically to the level of detection (0.01 mg/kg).

"However, if a pesticide is banned for environmental reasons, but doesn't pose a risk to health, then an MRL for imports may be set higher than the level of detection to a level where it does not pose a risk to human health. Trade restrictions are not justified under WTO rules in this case if the MRL doesn't pose a risk to health.

"If a non-EU country uses a pesticide banned here and wishes to sell produce ▶

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The Government is effectively powerless to protect the interests of UK rapeseed growers through WTO rules, says Nick von Westenholz.

► in the UK and EU with higher levels of residues, it would need to make a successful application for an increased MRL, known as an import tolerance.”

NFU director of EU exit and international trade Nick von Westenholz confirms the Government is effectively powerless to protect the interests of UK rapeseed growers.

“It’s all about the product, and in trade law, rapeseed grown with neonics is no different from that produced without the pesticide,” he explains. “WTO rules restrict the ability of member nations to impose bans on spurious grounds. So a country can restrict imports of a product shown to pose a risk to plant or animal health.

“The EU has for some time taken a hazard-based approach to pesticides, both in terms of approval for use and residues on imports. Other countries would argue this is an-overly precautionary approach that acts as an unjustified trade barrier. The same hazard-based approach has been transposed into UK legislation.”

But how come the EU and UK can ban chlorinated chicken and hormone-treated beef? “The EU position is that these pose a risk to human health. This has been disputed by other WTO members, but is at least a ground on which imports can be banned. If we were to refuse to accept these products on the grounds of a risk to animal health or welfare, it would be much less likely to be allowed under WTO rules,” continues Nick.

WTO rules don’t have to be followed, he points out — the UK could simply impose a restriction on an import and see what happens — but it seems unlikely that the UK would want to breach its international obligations so soon into its post-Brexit future. There are also grounds to protect public morals, so seal fur imports are restricted, for example, although Nick accepts the public would probably view clubbing seals for their fur as somewhat less moral than using neonics on a crop visited by bees.

So has the UK effectively consigned its own food production to oblivion through

Current assurance schemes

Though the NFU’s proposal appears to be the first of its kind, there are a few breeders that are running similar assurance schemes for their customers.

Among these is KWS’ Oilseed Establishment Partnership (OEP). In its simplest form, the KWS OEP shares the risk of establishment between the grower, breeder and merchant, and ultimately enables growers to buy the seed at a lower price — allowing better cashflow and opportunity for flexible seed rates, explains Julie Goult, oilseed manager at KWS. “There’s a vested interest by everyone within the OSR industry to keep the crop going, and for that to happen, we need a minimum area to ensure that investment continues.”

At the moment, the scheme works largely with the conventional OSR variety Blazen — which was introduced last year — and is linked with some of the biggest merchants in the UK (full list can be found on the KWS OEP webpage), she adds. “If the conditions are right when it’s time to drill — and the market value is sensible — there’s no other break crop that compares to oilseed



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rape, so protecting that is really important.”

Following a successful initial round of its Establishment Support Scheme with DK Exstar, CPM understands that Dekalb will once again be offering some kind of support programme in the coming months — though details of exactly how this will operate are yet to be confirmed. Watch this space for more information...

gold-plating its standards? “The fact that WTO rules do not in themselves allow the UK to exercise the same restrictions on imported produce as it wishes to maintain for home-grown food is a problem,” he notes.

“However, maybe it’s time for the UK to walk the walk of a sovereign nation and call for change. WTO rules are outdated, and maybe do not reflect the valid concerns of the modern consumer and their expectation of production standards. This is something the NFU feels the UK should be taking a lead on.”

Defra claims this is the case. “This Government will stand firm in trade negotiations to ensure that future trade deals champion the interests of our farmers by

living up to our high environmental, food safety and animal welfare standards,” said the spokesperson.

“We do understand that OSR growers are at greater risk of crop loss due to cabbage stem flea beetle since the restrictions on neonicotinoids came into force in 2014. That’s why we are continuing to work with stakeholders to explore alternative approaches to pest control as we design a new agricultural policy outside the European Union.

“We have always been clear that decisions on pesticides will be based on science and the weight of evidence shows the environmental risks posed by neonicotinoids, particularly to our bees and other pollinators.” ■

Crisis ahead for crushers?

Supporting the NFU’s proposal is the Seed Crushers and Oil Processors Association.

According to secretary general, Angela Bowden, there’s increasing concern for UK crushers. “The drop in UK production is already forcing us to find alternative sources of rapeseed which is costing the industry a significant amount of money. We have a demand for UK produced rapeseed oil and meal, which we would like to be fulfilled with home grown production.”

At present, Angela says a crop of over 2M tonnes is required to meet the domestic demand and currently there’s a significant deficit in the UK OSR balance sheet.

“There’s an urgency to find the right solution to give growers the confidence to grow OSR and to meet this demand, which reflects the Government’s ambitions in the Agricultural Bill to support domestic producers. We’re working together as an industry for this purpose.”