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THE PRIME MINISTER

12 April 2016

Dear Ross,

Many thanks for your letter. I agree with you that a UK exit from the EU would call into serious question jobs and investment in the rural economy. For me, two risks stand out.

First, there is the straightforward economic risk. Only today, the International Monetary Fund warned that Britain leaving the EU would pose major risks for our economy. Respected organisations like the London School of Economics have in recent weeks shown that being outside the EU would reduce the size of the UK economy and seriously hit economic growth. This would inevitably mean less public money to spend and any future government would have to make its own decisions on what level of farm support it could afford.

If we stay in a reformed EU, I can guarantee that British farmers can continue to sell their products without quotas and tariffs, to a market of 500 million people. We should never forget that over 60 per cent of our food and farming exports are to the EU. But if Britain left the EU, continued access to this market would be a matter for negotiations with 27 other EU countries, all with their own strong interests. We know that no existing alternative to EU membership – whether Norway, Switzerland, Canada or WTO – offers full access to the EU single market for farmers. All involve tariffs and additional costs.

For example, if we adopted a Canada-style deal, British beef exports would face a 12 per cent tariff if they exceeded a certain volume. We still do not sell any beef to America – because of restrictions that are nearly 20 years old. Our farmers would also face years of uncertainty as we negotiated a new arrangement with the EU.

Of course we need to continue to reduce red tape and modernise regulation, and provide farmers with access to the workforce they need. The only way to ensure this is to be at the table, leading the debate in Europe about how we can have the best CAP possible and give our farmers the support and security they need. Outside the EU, we would have no say over the rules governing our biggest export market – but our farmers would still have to comply with these rules if they wanted to export to Europe.

Second, there is a political risk. As long as I am Prime Minister, I would make sure that an agricultural support system would be properly maintained. However, I can obviously not make the same guarantees for future governments. It is unclear, for example, where some of my opponents, including Jeremy Corbyn, stand on the issue. We should remember that previous Labour governments have been in favour of either reducing key agricultural subsidies or abolishing them altogether.

In both these areas, the economic and the political, I can offer you certainty for the future. It is for those who want to leave the EU to explain in detail how the income and economic security of our landowners, farmers and rural businesses would be guaranteed.

Put simply, leaving the EU would be a leap in the dark. Our farmers have often spent generations building up their businesses; what they do not need is the uncertainty and risk that would come with leaving the EU – putting all those years of hard work at risk. That is why I believe our farmers and countryside are stronger, safer and better off inside a reformed European Union.

I would be happy to meet you in person to discuss this further. Thank you again for writing.

Yours,
David

Mr Ross Murray